The Ontario Securities Commission

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Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 OSC Staff Notice 11-742 (Revised) – Securities Advisory Committee

REVISED ONTARIO SECURITIES COMMISSION STAFF NOTICE 11-742

SECURITIES ADVISORY COMMITTEE

In a Notice published in the OSC Bulletin on November 2, 2017, the Commission invited applications for positions on the Securities Advisory Committee ("SAC"). SAC provides advice to the Commission and staff on a variety of matters including legislative and policy initiatives and important capital markets trends and brings various issues to the attention of the Commission and staff.

The Commission was very impressed with the number of highly qualified practitioners who applied for positions on SAC and would like to thank all those who applied.

The Commission is pleased to publish the names of the four new members who will be participating on SAC for the next three years.

–	Anita Anand	University of Toronto
–	Margaret Gunawan	BlackRock Asset Management
–	Barbara Hendrickson	Bax Securities Law
–	Blair Wiley	Osler, Hoskin & Harcourt LLP

The members of SAC have staggered terms. The continuing members of SAC are:

–	Thomas Fenton	Aird & Berlis LLP
–	Rhonda Goldberg	IGM Financial Inc
–	Ramandeep Grewal	Stikeman Elliott LLP
–	Jeffrey Meade	TD Bank Group
–	Eric Moncik	Blake, Cassels & Graydon
–	Ron Schwass	Wildeboer Dellelce LLP
–	Julie Shin	Toronto Stock Exchange
–	Thomas Yeo	Torys LLP

The Commission would like to take this opportunity to thank the four members of SAC, listed below, who completed their term in December 2017, having served on the Committee with great dedication over the last three years. Their advice and guidance on a range of issues has been very valuable to the Commission.

–	Blair Cowper-Smith	OMERS Administration Corporation
–	Sheldon Freeman	Goodmans LLP
–	Mindy Gilbert	Davies Ward Phillips & Vineberg LLP
–	Kathleen Ritchie	Gowling WLG

The Commission will publish a notice in Fall 2018 inviting applications for the next group of new SAC members, who will commence their terms in January 2019.

Reference: James Sinclair
General Counsel
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jsinclair@osc.gov.on.ca

1.1.2 CSA Staff Notice 21-322 Applicability of Regulation to the Operation of MTFs or OTFs in Canada

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice 21-322
Applicability of Regulation to the Operation of MTFs or OTFs in Canada

January 4, 2018

On December 21, 2017, the Canadian Securities Administrators (**CSA**) were contacted regarding the operations of a number of platforms operating in the European Union that, as of January 3, 2018, will become Regulated Markets (**RMs**), multilateral trading facilities[1] (**MTFs**) or organized trading facilities[2] (**OTFs**) (together, **trading venues**) offering Canadian participants the ability to trade equities and certain derivatives.

If trading venues offer, or intend to offer, access to Canadian participants, these platforms may be "carrying on business" in certain Canadian jurisdictions and may currently be, or will be, subject to requirements of applicable legislation that mandate recognition as an exchange or registration as an alternative trading system under National Instrument 21-101 *Marketplace Operation*. This depends not on their classification under European laws but on Canadian regulation relating to the services that they provide to Canadian participants.

CSA Staff recommends that trading venues that currently provide, or want to provide, Canadian participants with access to their platform, whether directly or indirectly, contact the relevant jurisdiction(s) in which they are carrying on, or want to carry on, business to discuss the applicability of the local regulatory framework to their operations.

Questions

If you have any questions about this notice, please contact any of the following CSA staff:

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[1] An MTF is defined in Article 4(1)(22) of the amended Markets in Financial Instruments Directive ("MiFID II") as a "multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract …".

[2] An OTF is defined in Article 4(1)(23) of MiFID II as a "multilateral system which is not a regulated market or MTF and in which multiple third-party buying and selling interests … in derivatives are able to interact in the system in a way that results in a contract …".

1.5 Notices from the Office of the Secretary

1.5.1 Dennis Wing

FOR IMMEDIATE RELEASE
January 8, 2018

DENNIS WING

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated January 5, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Mackenzie Financial Corporation and Mackenzie China A-Shares CSI 300 Index ETF

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to permit a Canadian exchange-traded mutual fund to invest in an underlying fund based in Hong Kong whose securities would meet the definition of index participation unit in NI 81-102, but for the fact that they are listed on the Stock Exchange of Hong Kong – relief is subject to certain conditions and requirements including the underlying fund is not a synthetic ETF – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.5(2)(a),(c),(e) and (f) 19.1.

December 22, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

IN THE MATTER OF
MACKENZIE CHINA A-SHARES CSI 300 INDEX ETF
(The Proposed ETF)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Proposed ETF for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption, pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**) from subsection 2.1(1) and paragraphs 2.5(2)(a), 2.5(2)(c), 2.5(2)(e) and 2.5(2)(f) of NI 81-102 to permit the Proposed ETF to purchase securities of the Underlying ETF (as defined below) (the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Nunavut and Yukon (the **Other Jurisdictions**).

Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions*, and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation amalgamated under the laws of Ontario with its head office in Toronto, Ontario.

2. The Filer is registered as an investment fund manager, portfolio manager, exempt market dealer and commodity trading manager in Ontario. The Filer is also registered as a portfolio manager and exempt market dealer in all other Canadian provinces and territories and as an investment fund manager in Newfoundland and Labrador and Québec.

3. The Filer will be the manager and trustee of the Proposed ETF.

4. The Proposed ETF will be (i) an open-ended mutual fund trust governed by the laws of the province of Ontario, (ii) a reporting issuer under the laws of all of the Jurisdictions, and (iii) governed by NI 81-102, subject to exemptive relief granted by the securities regulatory authorities.

5. Securities of The Proposed ETF will be qualified for distribution in all of the provinces and territories in Canada under a long form prospectus filed in accordance with NI 41-101 and, accordingly, the Proposed ETF will be a reporting issuer in one or more provinces and territories of Canada.

6. The Filer is not in default of securities legislation in any jurisdiction of Canada.

7. The investment objective of the Proposed ETF is expected to be substantially similar to the following: Mackenzie China A-Shares CSI 300 Index ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the CSI 300 Index (the **Index**), or any successor thereto, by investing directly in the constituent securities of the CSI 300 Index, or indirectly through ChinaAMC CSI 300 Index ETF (the **Underlying ETF**) or other exchange traded funds that track the CSI 300 Index. Mackenzie China A-Shares CSI 300 Index ETF has significant exposure to Chinese issuers.

8. To achieve its investment objectives and to obtain exposure to the securities of the Index, and as an alternative to or in conjunction with holding securities directly, the Proposed ETF may employ a sampling methodology or seek to invest in one or more exchange traded funds that provides exposure to the constituent securities of the Index.

The Underlying Manager

9. China Asset Management (Hong Kong) Limited (the **Underlying Manager**) is the manager of the Underlying ETF.

10. The Underlying Manager was incorporated in 2008 under the laws of Hong Kong and is a fully-owned subsidiary of China Asset Management Co., Ltd (**China AMC**).

11. The Underlying Manager is licensed by the licensed by the Hong Kong Securities and Futures Commission (the **HK Commission**) to carry on three regulated activities under the Securities and Futures Ordinance (**SFO**): (i) dealing in securities; (ii) advising on securities; and (iii) asset management. The HK Commission is an Ordinary Member of the International Organization of Securities Commissions (**IOSCO**).

12. As of August 31, 2017, (i) the Filer owns a 13.9% interest in China AMC; and (ii) Power Corporation of Canada, the ultimate parent company of the Filer, owns a 13.9% interest in China AMC.

The Underlying ETF

13. The Underlying ETF is a sub-fund of the ChinaAMC ETF Series, an umbrella unit trust established under Hong Kong law by a trust deed between China Asset Management (Hong Kong) Limited, as manager, and Cititrust Limited, as trustee.

14. The Underlying ETF was established on May 28, 2012 and commenced trading on the Stock Exchange of Hong Kong Limited (the **SEHK**) pursuant to a prospectus dated July 9, 2012 (the **HK Prospectus**).

15. As at March 31, 2017, the Underlying ETF held RMB$9,630.30 billion (approximately equal to C$1,892,510,266 based on the Bank of Canada exchange rate as at May 19, 2017) in assets under management.

16. It is the Filer's understanding that the HK Prospectus complies with the Rules Governing the Listing of Securities on the SEHK, the Code on Unit Trusts and Mutual Funds and the "Overarching Principles" of the Securities and Futures Commission Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products for the purposes of giving information with regard to the securities of the Underlying ETF.

17. The Underlying ETF is a "mutual fund" within the meaning of applicable Canadian securities legislation.

18. The investment objective of the Underlying ETF is to seek to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index. The Underlying Manager seeks to achieve its investment objective by primarily investing in securities comprising the Index.

19. The Underlying ETF employs a passive investment strategy.

20. Cititrust Limited, a member of Citigroup Inc., is the trustee of the Underlying ETF.

21. Citibank, N.A., a national banking association organized under the laws of the United States and authorized to carry on the business of banking in Hong Kong, is the custodian and administrator of the Underlying ETF.

22. Computershare Hong Kong Investor Services Limited is the registrar of the Underlying ETF.

The Index

23. The Index was launched on April 8, 2005, and is calculated and maintained by China Securities Index Company, Limited.

24. The Filer and the Underlying Manager are independent of China Securities Index Company, Limited.

25. The Index includes the 300 stocks with the largest market capitalization and liquidity from the entire universe of listed A share companies in China. Eligible constituent securities include constituents from the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

26. The methodology for the selection and weighting of the Index constituents, including the names of the issuers included in the Index, is publicly available and updated from time to time.

Reasons for the Requested Relief

27. But for the requirement in the definition of "index participation unit" that a security be traded on a stock exchange in Canada or the United States, securities of the Underlying ETF would be "index participation units".

28. The Proposed ETF seeks to obtain indirect exposure to the securities of the Index, including through the Underlying ETF, on the same basis as would be permitted under subsection 2.1(1) and paragraphs 2.5(2)(a), 2.5(2)(c), 2.5(2)(e) and 2.5(2)(f) of NI 81-102, as if the securities of the Underlying ETF were listed on a stock exchange in Canada or the United States and were, as a result, index participation units.

29. The investment objectives and strategies of the Underlying ETF are such that the Underlying ETF will invest in a manner that is consistent with the investment restrictions within NI 81-102.

30. Given that the principal regulator and the HK Commission are both members of IOSCO, the Filer submits that the regulatory regime applicable to the Underlying ETF and Proposed ETF have demonstrated their commitment in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets.

31. No management fees or incentive fees will be payable by the Proposed ETF that, to a reasonable person, would duplicate a fee payable by such Underlying ETF for the same service.

32. The regulatory regime, administration, operation, investment objectives and restrictions applicable to the Underlying ETF are comparable to those applicable to the Proposed ETF and therefore make securities of the Underlying ETF an appropriate investment for the Proposed ETF.

33. As the Underlying Manager is subject to the laws of Hong Kong and licensed carry on three regulated activities: (i) to deal in securities, (ii) advise in securities, and (iii) asset management, by the HK Commission, the Underlying Manager is subject to similar regulatory oversight as the Filer, which is primarily regulated by the Principal Regulator.

34. The SEHK is subject to similar regulatory oversight to securities exchanges in Canada and the United States and therefore the listing requirements and regulatory oversight of the SEHK should be recognized as providing an appropriate trading platform for securities purchased, directly or indirectly, by the Proposed ETF on an equivalent basis to the way in which the listing requirements and regulatory oversight of securities exchanges in Canada and the United States are so recognized.

35. The Underlying ETF is subject to the following regulatory requirements:

    a. The Underlying ETF is required to prepare a prospectus that discloses material facts similar to the disclosure requirements under Form 41-101F2 *Information Required in an Investment Fund Prospectus*.

    b. The Underlying ETF prepares fact sheets and/or key investor information documents which, taken together, provide disclosure that is similar to ETF Facts Document prescribed by Form 41-101F4 *Information Required in an ETF Facts Document*.

    c. The Underlying ETF is subject to continuous disclosure obligations which are substantially similar to the disclosure obligations under National Instrument 81-106 *Investment Fund Continuous Disclosure*.

    d. The Underlying ETF is required to update information of material significance in the prospectus and to prepare semi-annual (unaudited) and annual financial statements (audited).

    e. The Underlying ETF is subject to investment restrictions concerning the Underlying ETF's portfolio concentration, ability to control issuers in its portfolio, the liquidity of its portfolio securities, investments in other investment funds, investments in real estate, short selling, writing of call options, and securities lending.

f. The Underlying ETF is generally not permitted to invest more than 10% of its net asset value in securities of any single issuer or to hold more than 10% of a class of securities of any single issuer, except for securities of issuers that are constituents of the Index which account for more than 10% of the weighting of the Index and the Underlying Fund's holding of any such constituent securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature, or otherwise approved by the Hong Kong Securities Clearing Company Limited and the HK Commission.

g. The Underlying ETF does not invest in financial derivatives instruments (and has not adopted a synthetic replication strategy) and does not intend to engage in securities lending or repurchase transactions in respect of its portfolio.

36. In the absence of the Requested Relief:

a. the Proposed ETF would not be able to rely on the exemption available for "index participation units" in paragraph 2.1(2) because index participation units are currently defined to be securities that are traded in Canada or the United States only, and accordingly, the Proposed ETF would be prohibited from purchasing or holding units of the Underlying ETF if, immediately after any such purchase, more than 10% of the net asset value Proposed ETF would be invested in units of the Underlying ETF.

b. The Proposed ETF would not be able to rely on the exemptions available for "index participation units" in paragraphs 2.5(3) and 2.5(5) because index participation units are currently defined to be securities that are traded in Canada or the United States only, and accordingly, the Proposed ETF would be prohibited from purchasing or holding units of the Underlying ETF.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

a) the Underlying ETF is not a "synthetic ETF", meaning that the Underlying ETF will not principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of the Index;

b) the relief from paragraph 2.5(2)(e) and 2.5(2)(f) of NI 81-102 will only apply to brokerage fees incurred for the purchase or sale of the Underlying ETF;

c) the prospectus of the Proposed ETF discloses the fact that the Proposed ETF has obtained relief to invest in the Underlying ETF;

d) the investment objective of the Proposed ETF names the Underlying ETF;

e) the investment objective of the Proposed ETF will state that the Proposed ETF will seek to replicate, to the extent possible, the performance of the Index; and

f) in the event that the regulatory regime applicable to the Underlying ETF is changed in any material way, the Proposed ETF does not acquire any additional securities of the Underlying ETF, and disposes of any securities of the Underlying ETF then held, within six months.

The Requested Relief will terminate six months after the coming into force of any amendments to paragraphs 2.5(a), (c), (e) or (f) of NI 81-102 that restrict or regulate the Proposed ETF's ability to invest in the Underlying ETF.

"Darren McKall"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.2 1832 Asset Management L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from subsection 2.1(1) and paragraphs 2.2(1)(a), 2.5(2)(a), (c) and (e) of National Instrument 81-102 Investment Funds to allow mutual funds to invest in ETFs listed on a Canadian exchange, and to allow the top funds to pay brokerage commissions for the purchase and sale of the securities of related underlying ETFs – Underlying ETFs are subject to NI 81-102 – Relief subject to terms and conditions based on investment restrictions of NI 81-102 such that top funds cannot do indirectly via investment in underlying ETFs what they cannot do directly under NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.2(1)(a), 2.5(2)(a). 2.5(2)(e), 19.1.

December 20, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
1832 ASSET MANAGEMENT L.P.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of existing and future mutual funds that are managed by the Filer or an affiliate or associate of the Filer (the **Funds**), for a decision (the **Exemption Sought**) under the securities legislation of the principal regulator (the **Legislation**) exempting each Fund from the following provisions of National Instrument 81-102 *Investment Funds* (**NI 81-102**) in order to permit the Funds to invest in securities of exchange-traded funds that are not index participation units (the **Underlying ETFs**):

(a) subsection 2.1(1) (the **Concentration Restriction**) to permit each Fund to purchase securities of an Underlying ETF or enter into a specified derivatives transaction with respect to an Underlying ETF even though, immediately after the transaction, more than 10% of the net asset value (**NAV**) of the Fund would be invested, directly or indirectly, in securities of the Underlying ETF (the **Concentration Relief**);

(b) paragraph 2.2(1)(a) (the **Control Restriction**) to permit each Fund to purchase securities of an Underlying ETF even though, immediately after the purchase, the Fund would hold securities representing more than 10% of (i) the votes attaching to the outstanding voting securities of the Underlying ETF, or (ii) the outstanding equity securities of the Underlying ETF (the **Control Relief**);

(c) paragraph 2.5(2)(a) to permit each Fund to invest in securities of Underlying ETFs that do not offer securities under a simplified prospectus in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and that may not be subject to NI 81-102; and

(d) paragraph 2.5(2)(e) of NI 81-102 to permit each Fund to pay brokerage fees in relation to its purchase and sale of securities of Related Underlying ETFs (defined below) (the **Brokerage Fee Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for the application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the provinces and territories of Canada other than the Jurisdiction (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102 have the same meaning if used in this decision, unless otherwise defined. In addition, the following terms as used in this decision have the following meanings:

Related Underlying ETF means an Underlying ETF that is managed by the Filer or an affiliate or associate of the Filer.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is an Ontario limited partnership, which is wholly-owned, indirectly, by the Bank of Nova Scotia (**BNS**). The general partner of the Filer is 1832 Asset Management G.P. Inc., an Ontario corporation wholly-owned by BNS with its head office located in Toronto, Ontario.

2. The Filer is the manager of the Funds and is registered as: (i) a portfolio manager in all of the provinces of Canada and in the Northwest Territories and the Yukon; (ii) an exempt market dealer in all of the provinces of Canada (except Prince Edward Island and Saskatchewan); (iii) an investment fund manager in Ontario, Québec, Newfoundland and Labrador and the Northwest Territories; and (iv) a commodity trading manager in Ontario.

3. The Filer and the existing Funds are not in default of securities legislation in any of the Jurisdictions.

4. The Filer or an affiliate or associate of the Filer is, or will be, the investment fund manager of the Funds.

The Funds

5. Each Fund is, or will be, a mutual fund organized and governed by the laws of a Jurisdiction of Canada.

6. Each Fund distributes, or will distribute, some or all of its securities pursuant to a simplified prospectus prepared pursuant to NI 81-101 and Form NI 81-101F1 *Contents of Simplified Prospectus* (**Form 81-101F1**) or a long form prospectus prepared pursuant to National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) and Form 41-101F2 *Information Required in an Investment Fund Prospectus* (**Form 41-101F2**) and is, or will be, governed by the applicable provisions of NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

7. Each Fund is, or will be, a reporting issuer in one or more Jurisdictions.

8. Each Fund is, or will be, subject to National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**).

9. The Funds may, from time to time, wish to invest up to 100% in any one or more Underlying ETFs in accordance with their investment objectives.

The Underlying ETFs

10. Each Underlying ETF is, or will be, an open-ended mutual fund subject to NI 81-102, subject to any exemption therefrom that may be granted by the securities regulatory authorities.

11. Securities of each Underlying ETF are, or will be:

(a) distributed pursuant to a long form prospectus prepared pursuant to NI 41-101 and Form 41-101F2 or, if it has received an exemption to do so, a simplified prospectus prepared pursuant to NI 81-101 and Form 81-101F1; and

(b) listed on the Toronto Stock Exchange or another "recognized exchange" in Canada, as that term is defined in securities legislation.

12. Each Underlying ETF is, or will be, a reporting issuer in one or more Jurisdictions.

13. Each Underlying ETF is, or will be, subject to NI 81-107 in respect of conflict of interest matters to which NI 81-107 applies.

14. The securities of an Underlying ETF will not meet the definition of index participation unit (**IPU**) in NI 81-102 because the only purpose of the Underlying ETF will not be to:

(a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index; or

(b) invest in a manner that causes the Underlying ETF to replicate the performance of that index.

15. The securities of an Underlying ETF are, or will be, listed on a recognized exchange in Canada and the market for them is, or will be, liquid because it is, or will be, supported by a designated broker and dealers. As a result, the Filer expects a Fund to be able to dispose of such securities through market facilities in order to raise cash, including to fund the redemption requests of its securityholders.

16. No Underlying ETF will hold more than 10% of its NAV in securities of another investment fund unless (i) the Underlying ETF is a clone fund, as defined in NI 81-102, (ii) the other investment fund is a money market fund, as defined in NI 81-102, (iii) securities of the other investment fund are IPUs.

17. No Fund will pay management or incentive fees which to a reasonable person would duplicate a fee payable by an Underlying ETF for the same service.

18. Absent the Exemption Sought, an investment by a Fund in an Underlying ETF would be prohibited by paragraph 2.5(2)(a) of NI 81-102 because the Underlying ETFs do not offer securities under a simplified prospectus in accordance with NI 81-101. An investment by a Fund in an Underlying ETF would not qualify for the exception in paragraph 2.5(3)(a) of NI 81-102 because the securities of the Underlying ETF are not IPUs.

The Concentration Relief and Control Relief

19. An investment in an Underlying ETF by a Fund is an efficient and cost effective alternative to administering one or more investment strategies similar to that of the Underlying ETF and will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

20. An investment in an Underlying ETF by a Fund should pose limited investment risk to the Fund because each Underlying ETF will be subject to NI 81-102, subject to any exemption therefrom that may in the future be granted by the securities regulatory authorities.

21. Due to the potential size disparity between the Funds and the Underlying ETFs, it is possible that a relatively small investment, on a percentage of NAV basis, by a relatively larger Fund in securities of an Underlying ETF could result in such Fund holding securities representing more than 10% of: (i) the votes attaching to the outstanding voting securities of the Underlying ETF; or (ii) the outstanding equity securities of that Underlying ETF, contrary to the Control Restriction.

22. An investment by a Fund in securities of an Underlying ETF will not qualify for the exemptions set out in:

(a) paragraph 2.1(2)(d) of NI 81-102 from the Concentration Restriction; and

(b) paragraph 2.2(1.1)(b) of NI 81-102 from the Control Restriction;

because securities of the Underlying ETFs are not IPUs.

23. The material difference between the securities of an Underlying ETF and the securities of a conventional mutual fund is the method of distribution and disposition.

The Brokerage Fee Relief

24. The trades conducted by a Fund may not be of the size necessary for the Fund to be eligible to purchase or exchange securities of a Related Underlying ETF directly from the Related Underlying ETF at its NAV per security. Trades in securities of a Related Underlying ETF are therefore likely to be conducted by a Fund in the secondary market through the facilities of a recognized exchange. Absent the Brokerage Fee Relief, paragraph 2.5(2)(e) of NI 81-102 would not permit a Fund to pay brokerage fees incurred in connection with a Related Underlying ETF.

25. All brokerage fees related to trades in securities of Related Underlying ETFs will be borne by the Funds in the same manner as any other portfolio transactions made on an exchange.

26. If a Fund trades in securities of a Related Underlying ETF with or through an affiliate or associate of the Filer acting as dealer, the Filer will comply with its obligations under NI 81-107 in respect of any proposed related party transactions. These related party transactions will be disclosed to securityholders of the applicable Fund in its management report of fund performance.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that:

(a) the investment by a Fund in securities of an Underlying ETF is in accordance with the investment objectives of the Fund;

(b) a Fund does not short sell securities of an Underlying ETF;

(c) an Underlying ETF is not a commodity pool as defined in National Instrument 81-104 *Commodity Pools*;

(d) the Underlying ETF does not rely on exemptive relief from the requirements of:

  (i) section 2.3 of NI 81-102 regarding the purchase of physical commodities;

  (ii) sections 2.7 and 2.8 of NI 81-102 regarding the purchase, sale or use of specified derivatives; or

  (iii) paragraphs 2.6(a) and 2.6(b) of NI 81-102 with respect to the use of leverage;

(e) securities of each Underlying ETF are listed on a recognized exchange in Canada; and

(f) the prospectus of each Fund discloses, or will disclose in the next renewal of its prospectus following the date of this decision, in the investment strategy section, the fact that the Fund has obtained the Exemption Sought to permit investments in Underlying ETFs on the terms described in this decision.

“Darren McKall”
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.3 LOGiQ Asset Management Ltd. and LOGiQ Capital 2016

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of change of manager of investment funds, and investment fund mergers – merger approval required because merger does not meet the criteria for pre-approval – continuing fund has different investment objectives than terminating fund – fee structure not substantially similar – merger not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – manager of continuing fund is not an affiliate of the manager of the terminating fund - fund facts not delivered with circular – securityholders provided with timely and adequate disclosure regarding the change of manager and the mergers – change of manager and mergers are not detrimental to securityholders or contrary to the public interest.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(a) and (b), 5.7(1)(a) and (b), 19.1(2).

December 14, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
LOGiQ ASSET MANAGEMENT LTD.
(LAM)

AND

LOGiQ CAPITAL 2016
(LC) (together, LAM and LC , the Filers)

AND

IN THE MATTER OF
THE INVESTMENT FUNDS MANAGED BY LC AND LAM
(respectively, the LC Funds and the LAM Funds and, collectively, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval of:

(a) the proposed change of manager for all of the Funds (the **Change of Manager**) from LAM or LC to Redwood Asset Management Inc. (**Redwood**) under subsection 5.5(1)(a) of National Instrument 81-102 *Investment Funds* (**NI 81-102**); and

(b) three investment fund mergers (the **Mergers**) in connection with the proposed transaction between the Filers, LOGiQ Asset Management Inc. (**LOGiQ**) and Purpose Investments Inc. (**Purpose**), as described below, under subsection 5.5(1)(b) of NI 81-102;

(the **Approval Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(i) the Ontario Securities Commission is the principal regulator for this application; and

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada.

Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filers.

LAM

1. LAM is currently the manager of the LAM Funds.

2. LAM is a corporation organized under the laws of the Province of Ontario, with its head office located in Toronto, Ontario. LAM is a wholly-owned subsidiary of LOGiQ.

3. LAM is currently registered as an investment fund manager in Newfoundland and Labrador, Ontario and Quebec, as an exempt market dealer and as a portfolio manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Quebec.

LC

4. LC is currently the manager of the LC Funds.

5. LC is a partnership established under the laws of the Province of Ontario, with its head office located in Toronto, Ontario. The partners of LC are LOGiQ with a 99.99% ownership interest and 2535706 Ontario Inc., a wholly-owned subsidiary of LOGiQ, with a 0.01% ownership interest.

6. LC is currently registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, as a portfolio manager in Ontario and British Columbia and as an exempt market dealer in Ontario and Alberta.

7. Neither LAM nor LC is in default of any requirements of applicable securities legislation.

The Funds

8. Each of the Funds is a reporting issuer in each of the provinces and territories of Canada (the **Jurisdictions**). The Funds include both mutual funds and non-redeemable investment funds.

9. None of the Funds is in default of any requirements of applicable securities legislation.

10. Securities of the LAM Funds, other than the LAM Funds that are non-redeemable investment funds, are currently qualified for sale by simplified prospectuses, annual information forms and fund facts, which have been filed and receipted in each of the Jurisdictions.

11. Securities of the LC Funds are currently qualified for sale by simplified prospectuses, annual information forms and fund facts, which have been filed and receipted in each of the Jurisdictions.

Purpose and Redwood

12. Purpose is a corporation established under the laws of the Province of Ontario.

13. Redwood is a corporation established under the laws of the Province of Ontario and is a wholly-owned subsidiary of Purpose.

14. Redwood is the manager of certain mutual funds, including exchange-traded funds, and non-redeemable investment funds (the **Redwood Funds**) and Redwood's primary business is to act as investment fund manager for the Redwood Funds and to act as portfolio manager for certain Redwood Funds.

15. None of Purpose, Redwood or the Redwood Funds is in default of any applicable requirements of securities legislation.

Details of the Transaction

16. In press releases issued on September 11, 2017 and September 13, 2017 and a material change report issued on September 20, 2017, LOGiQ announced that it had entered into a purchase and sale agreement (the **Purchase and Sale Agreement**) with Purpose providing for the acquisition by Purpose of substantially all of the retail asset management agreements owned by LOGiQ, LAM and LC (the **Transaction**). The Transaction will result in the Change of Manager and the Mergers.

17. The Transaction is expected to be completed on or about December 15, 2017 (**Closing**), subject to receiving all necessary regulatory approvals and satisfying the conditions of closing contained in the Purchase and Sale Agreement.

18. Pursuant to the Mergers, the following terminating funds (each, a **Terminating Fund**) will be merged into the following continuing funds (each, a **Continuing Fund**) as follows:

    (a) Canadian 50 Advantaged Preferred Share Fund, a non-redeemable investment fund, (the **Merger 1 Terminating Fund**) will merge into Redwood Canadian Preferred Share Fund, a mutual fund, (the **Merger 1 Continuing Fund**, and together with the Merger 1 Terminating Fund, the **Merger 1 Funds**) (**Merger 1**);

    (b) LOGiQ Growth Class, a corporate class mutual fund, (the **Merger 2 Terminating Fund**) will merge into LOGiQ Special Opportunities Class, a corporate class mutual fund, (the **Merger 2 Continuing Fund**, and together with the Merger 2 Terminating Fund, the **Merger 2 Funds**) (**Merger 2**); and

    (c) LOGiQ Millennium Fund, a mutual fund, (the **Merger 3 Terminating Fund**) will merge into LOGiQ High Income Fund, a mutual fund, (the **Merger 3 Continuing Fund**, and together with the Merger 3 Terminating Fund, the **Merger 3 Funds**) (**Merger 3**).

19. LAM and LC, as applicable, referred the Transaction to the applicable Independent Review Committee (**IRC**) of each of the Funds pursuant to section 5.1 of National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) and received a recommendation that the Transaction, if implemented, would achieve a fair and reasonable result for each applicable Fund.

20. Upon Closing, the individuals that comprise the IRC of the Terminating Funds will cease to be members of the IRC by operation of subsections 3.10(1)(a) and (b) of NI 81-107. Immediately following Closing, Redwood has confirmed that the members of the IRC for the Funds (other than the Terminating Funds) will be changed to the same individuals that currently comprise the Independent Review Committee for the Merger 1 Continuing Fund (**Redwood IRC**), namely: Douglas G. Hall (Chair), Randall C. Barnes and Michael Hollend.

21. In addition to the press releases and material change report mentioned above, which were issued and filed on SEDAR, an amendment to the current simplified prospectuses, annual information forms and related fund facts documents (the **Prospectus Amendments**) of the applicable Funds that are mutual funds were filed on SEDAR on September 22, 2017.

22. Pursuant to NI 81-102, special meetings of the securityholders of the Funds (the **Meetings**) were held on November 3, 2017 and November 10, 2017. At the Meetings, securityholders of the Funds approved, among other things, the Change of Manager, and securityholders in the Terminating Funds approved the Merger of the relevant Terminating Fund into the corresponding Continuing Fund.

23. The notice of Meetings and the joint management information circular in respect of the Meetings (the **Meeting Materials**) describing the Mergers and the Change of Manager were sent to securityholders of the Funds on October 13, 2017 and copies thereof were filed on SEDAR following the mailing in accordance with applicable securities legislation. The Meeting Materials contain sufficient information regarding the business, management and operations of Redwood, including details of its officers and directors, and all information necessary to allow securityholders of the Funds to make an informed decision about the Change of Manager and the Mergers, as applicable. All other information and documents necessary to comply with applicable proxy solicitation requirements of securities legislation for the Meetings were also mailed to securityholders of the Funds.

The Change of Manager

24. LOGiQ, LAM and LC believe that the Change of Manager is in the best interests of the securityholders of the Funds, as the Transaction is expected to lead to greater efficiencies, economies of scale and a pooling of resources which will create an even stronger group of Redwood Funds to serve investors. The Transaction has been the result of extensive analysis by LOGiQ, LAM and LC of trends in the investment fund industry and the need for consolidation given increasing costs and regulatory requirements. Accordingly, and after considering several alternatives, LOGiQ, LAM and LC believe securityholders are better served by the Change of Manager.

25. Other than the Mergers, the Change of Manager is not expected to have any material impact on the business, operations or affairs of the Funds or the securityholders of the Funds and Redwood intends to manage and administer the Funds in a similar manner as LAM and LC. Following the Transaction, certain of the Funds will be converted from non-redeemable investment funds into exchange-traded funds, with conventional non-listed classes of units as well, as disclosed in the Meeting Materials and approved by securityholders at the Meetings.

26. Subject to obtaining the Requested Approval, Redwood will become the manager and successor trustee (if applicable) of the Funds effective on Closing. On that date, Redwood will assume the role of manager of the Funds under each Fund's management agreement.

27. On Closing, CIBC Mellon Trust Company will remain the custodian of the Funds and Redwood will become portfolio manager of the Funds currently advised by an affiliate of LOGiQ (other than the Terminating Funds), as disclosed in the Meeting Materials.

Details of the Mergers

28. The specific steps to implement each of the Mergers are described below. The result of the Mergers will be that investors in the applicable Terminating Fund will cease to be securityholders in the Terminating Fund and will become securityholders in the applicable Continuing Fund. Pursuant to the Mergers, securityholders of a Terminating Fund will receive securities of a Continuing Fund, as shown opposite in the table below:

Merger	Terminating Fund Securities Held	Continuing Fund Securities to be Received
Merger 1	Class A units Class F units	ETF units Class F units
Merger 2	Series A shares Series B shares Series F shares Series X shares	Series A shares Series B shares Series F shares Series X shares
Merger 3	Series A units Series B units Series F units Series I units	Series A units Series B units Series F units Series I units

29. Merger 1 will be structured as follows:

    (a) Prior to Closing, the Merger 1 Terminating Fund will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the Merger 1 Continuing Fund. As a result, the Merger 1 Terminating Fund may temporarily hold cash or money market instruments and may not be fully invested in accordance with its investment objectives for a brief period of time prior to the Merger being effected.

    (b) Prior to the Merger 1, each of the Merger 1 Terminating Fund and the Merger 1 Continuing Fund will distribute any net income and net realized capital gains for its current taxation year to the extent necessary to eliminate its liability for non-refundable income tax.

    (c) The value of the Merger 1 Terminating Fund's portfolio and other assets will be determined at the close of business on the business day prior to Closing in accordance with the constating documents of the Merger 1 Terminating Fund.

    (d) The Merger 1 Continuing Fund will acquire the investment portfolio and other assets of the Merger 1 Terminating Fund in consideration for an amount (the **Merger 1 Purchase Price**) equal to the fair market

value of the portfolio assets and other assets that the Merger 1 Continuing Fund is acquiring from the Merger 1 Terminating Fund.

(e) The Merger 1 Continuing Fund will satisfy the Merger 1 Purchase Price by issuing to the Merger 1 Terminating Fund that number of ETF units and Class F units of the Merger 1 Continuing Fund that have an aggregate net asset value equal to the Merger 1 Purchase Price, and the ETF units and Class F units of the Merger 1 Continuing Fund will be issued at the net asset value per unit of the applicable class as of the close of business on the business day prior to Closing.

(f) Immediately thereafter, all of the Class A units and Class F units of the Merger 1 Terminating Fund will be redeemed and the redemption price therefor will be paid by delivering the applicable number of ETF units and Class F units, as applicable, of the Merger 1 Continuing Fund to unitholders of the Merger 1 Terminating Fund based on the number of such units of the Merger 1 Terminating Fund then held, with each unitholder of the Merger 1 Terminating Fund receiving that number of units of the applicable class of the Merger 1 Continuing Fund (rounded down to the nearest whole unit) as is equal to an exchange ratio (which will be equal to the net asset value per class of units of the Merger 1 Terminating Fund at the close of business on the business day prior to Closing, divided by the net asset value per the equivalent class of units of the Merger 1 Continuing Fund on such date) multiplied by the number of units of the applicable class of the Merger 1 Terminating Fund held by such unitholder immediately prior to the completion of the Merger 1.

(g) The Merger 1 Terminating Fund and the Merger 1 Continuing Fund will file a joint tax election in respect of the transfer to the Merger 1 Continuing Fund of the assets of the Merger 1 Terminating Fund described above.

(h) Following Merger 1, the Merger 1 Terminating Fund will be wound up as soon as reasonably possible and a notice pursuant to section 2.10 of NI 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) will be filed on the Merger 1 Terminating Fund's SEDAR profile.

30. The proposed Merger 2 will be structured as follows:

(a) Series A, Series B, Series F and Series X mutual fund shares of the Merger 2 Terminating Fund will be exchanged for Series A, Series B, Series F and Series X mutual funds shares, respectively, of the Merger 2 Continuing Fund. The number of shares of a series of the Merger 2 Continuing Fund received will be determined by multiplying the number of shares of each applicable series of the Merger 2 Terminating Fund outstanding at the close of business prior to Closing by an exchange ratio (which will be equal to the net asset value per series of shares of the Merger 2 Terminating Fund at the close of business on the business day prior to the effective date of the Merger 2, divided by the net asset value per the equivalent series of shares of the Merger 2 Continuing Fund on such date).

(b) All of the net assets of the Merger 2 Terminating Fund will become assets of the Merger 2 Continuing Fund. As such, there will be no pre-merger liquidation of any portion of the Merger 2 Terminating Fund's portfolio.

(c) Following Merger 2, the Merger 2 Terminating Fund will be wound up as soon as reasonably possible and a notice pursuant to section 2.10 of NI 81-106 will be filed on the Merger 2 Terminating Fund's SEDAR profile.

31. The proposed Merger 3 will be structured as follows:

(a) Prior to Closing, the Merger 3 Terminating Fund will sell any securities in its portfolio that do not meet the investment objectives and investment strategies of the Merger 3 Continuing Fund. As a result, the Merger 3 Terminating Fund may temporarily hold cash or money market instruments and may not be fully invested in accordance with its investment objectives for a brief period of time prior to the Merger being effected.

(b) Prior to the Merger 3, the Merger 3 Terminating Fund will distribute any net income and net realized capital gains for its current taxation year to the extent necessary to eliminate its liability for non-refundable income tax.

(c) The value of the Merger 3 Terminating Fund's portfolio and other assets will be determined at the close of business on the business day prior to Closing in accordance with the constating documents of the Merger 3 Terminating Fund.

(d) The Merger 3 Continuing Fund will acquire the investment portfolio and other assets of the Merger 3 Terminating Fund in consideration for an amount (the "**Merger 3 Purchase Price**") equal to the fair market value of the portfolio assets and other assets that the Merger 3 Continuing Fund is acquiring from the Merger 3 Terminating Fund.

(e) The Merger 3 Continuing Fund will satisfy the Merger 3 Purchase Price by issuing to the Merger 3 Terminating Fund that number of Series A, Series B, Series F and Series I mutual fund units of the Merger 3 Continuing Fund that have an aggregate net asset value equal to the Merger 3 Purchase Price, and the Series A, Series B, Series F and Series I mutual fund units of the Merger 3 Continuing Fund will be issued at the net asset value per unit of the applicable series as of the close of business on the business day prior to Closing.

(f) Immediately thereafter, all of the Series A, Series B, Series F and Series I mutual fund units of the Merger 3 Terminating Fund will be redeemed and the redemption price therefor will be paid by delivering the applicable number of Series A, Series B, Series F and Series I mutual fund units, as applicable, of the Merger 3 Continuing Fund to unitholders of the Merger 3 Terminating Fund based on the number of such units of the Merger 3 Terminating Fund then held, with each unitholder of the Merger 3 Terminating Fund receiving that number of units of the applicable series of the Merger 3 Continuing Fund (rounded down to the nearest whole unit) as is equal to an exchange ratio (which will be equal to the net asset value per series of units of the Merger 3 Terminating Fund at the close of business on the business day prior to Closing, divided by the net asset value per the equivalent series of units of the Merger 3 Continuing Fund on such date) multiplied by the number of units of the applicable series of the Merger 3 Terminating Fund held by such unitholder immediately prior to the completion of the Merger 3.

(g) Following Merger 3, the Merger 3 Terminating Fund will be wound up as soon as reasonably possible and a notice pursuant to section 2.10 of NI 81-106 will be filed on the Merger 3 Terminating Fund's SEDAR profile.

32. The total value of the securities of each Continuing Fund offered to securityholders of the relevant Terminating Fund will have a value that is equivalent to the net asset value of the Terminating Fund calculated on the date immediately preceding the date of the Merger.

33. The Mergers will not be considered a material change for any of the Continuing Funds.

34. LAM, LC and Purpose believe the Mergers are in the best interest of investors of the Terminating Funds and Continuing Funds for the following reasons:

(a) there is little opportunity to reduce the fixed costs individually associated with, and currently paid by, the Terminating Funds and the Continuing Funds, including expenses such as audit, legal, trustee, custody, transfer agency, independent review committee, filing and fund accounting fees. The fixed costs associated with the Continuing Funds after the Mergers will be less than the total fixed costs currently paid by the Terminating Funds and the Continuing Funds and will be spread over a larger number of shares or units. Further, the Continuing Funds are expected to have a larger asset base which will allow for greater portfolio diversification and a smaller proportion of assets set aside in the form of cash to fund redemptions. This may lead to the reduction of risk and increased returns;

(b) the Terminating Funds are relatively small in size and face issues such as more limited portfolio diversification opportunities and higher expense ratio, compared to larger funds. Larger funds tend to have a greater profile in the marketplace, enabling the fund to attract more investors, which in turn offers the potential for greater portfolio diversification and fixed expenses are spread over a larger asset base. As a result of the proposed Mergers, investors in the Terminating Funds will become part of a larger, combined fund; and

(c) if a Merger were not approved, LAM or LC, as applicable, would have terminated the applicable Terminating Fund following Closing. Since LAM, LC and/or Purpose will pay the costs of the Mergers, the Mergers will save the Terminating Funds the costs of dissolution and wind-up, which would otherwise be borne by the Terminating Funds.

35. LAM, LC and/or Purpose, and not the Funds, will bear all costs and expenses associated with calling and holding the Meetings and implementing the Change of Manager and the Mergers.

36. The Merger 1 Terminating Fund is a "non-redeemable investment fund" as defined in securities legislation and units of the Merger 1 Terminating Fund are listed on the TSX. Securityholders of the Merger 1 Terminating Fund will have the right to sell their securities through the TSX prior to the Merger, and had the right to redeem their securities on the second to last business day of November at a price equal to the net asset value per security pursuant to the terms of the Trust Agreement of the Merger 1 Terminating Fund dated April 24, 2012, as supplemented July 31, 2017. Following the Merger, securityholders of the Merger 1 Terminating Fund will have the right to redeem the securities of the Continuing Fund they receive pursuant to the Merger on a daily basis.

37. Securityholders of the Merger 2 Terminating Fund and the Merger 3 Terminating Fund will continue to have the right to redeem securities of the Terminating Fund for cash at any time up to the close of business on the business day

immediately prior to Closing. Securities so redeemed will be redeemed at a price equal to their net asset value per security on the redemption date.

38. In the opinion of the Filers, the Mergers satisfy all of the criteria for pre-approved reorganizations and transfers set forth in s. 5.6(1) of NI 81-102 except that

    (a) the Terminating Funds and Continuing Funds

        (i) do not have the same or affiliated managers, and

        (ii) may be considered to not have substantially similar fundamental investment objectives or fee structure;

    (b) due to inadvertence, the materials sent to securityholders of the Terminating Funds did not include the most recently filed fund facts of the Continuing Fund as required by sub-paragraph 5.6(1)(f)(ii) of NI 81-102;

    (c) with respect to Merger 2 and Merger 3, the transaction is not a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada) (**Tax Act**) or is not a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the Tax Act.

39. It is not expected that securityholders will experience any adverse tax consequences as a result of the Mergers. The Filers, and with respect to Merger 1, Purpose, are of the view that almost all of the portfolio assets of the applicable Terminating Fund can be transferred to the applicable Continuing Fund. Where a portion of the portfolio is required to be disposed of for smaller positions, LAM or LC, as applicable, expect that the applicable Terminating Fund has sufficient tax loss carry-forwards to cover the amount of the gain generated from these sales.

40. The Meeting Materials provided:

    (a) a comparison of the Terminating Funds and Continuing Funds with respect to the investment objectives, investment strategies, fees, expenses, net asset values and other material differences of the Terminating Funds and the Continuing Funds;

    (b) a summary of the anticipated tax consequences of the Mergers to the Terminating Funds and to the Continuing Funds and their securityholders; and

    (c) a description of the various ways in which investors can obtain a copy of the simplified prospectus and annual information form of the Continuing Funds, as well as the most recent interim and annual financial statements and management reports of fund performance for the Continuing Funds, as applicable.

41. Accordingly, in the opinion of the Filers, securityholders of the Terminating Funds were provided with sufficient information to make an informed decision about the Mergers.

Decision

The Principal Regulator is satisfied that the decision meets the test set out in the Legislation for the Principal Regulator to make the decision.

The decision of the Principal Regulator under the Legislation is that the Approval Sought is granted.

"Vera Nunes"
Manager
Investment Funds and Structured Products
Ontario Securities Commission

2.1.4 Source Energy Services Ltd. and James McMahon

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – reporting insider party to automatic securities disposition plan – relief granted from section 3.3 of NI 55-104 and subsection 107(2) of the Securities Act (Ontario), provided that reporting insider file reports with respect to dispositions under the plan during the year by March 31 of the next calendar year.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 107(2).
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 3.3.

Citation: Re Source Energy Services Ltd., 2018 ABASC 3

January 2, 2018

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
SOURCE ENERGY SERVICES LTD.
(Source)

AND

JAMES MCMAHON
(McMahon) (collectively, the Filers)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filers for a decision (the **Exemption Sought**) under the securities legislation (the **Legislation**) of the Jurisdictions exempting Mr. McMahon, a director of Source, from the requirement in Section 3.3 of National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (**NI 55-104**) and Subsection 107(2) of the *Securities Act* (Ontario) (the **Ontario Act**) to file an insider report within five days following the disposition of securities under his ASDP (as defined below), subject to certain conditions.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the Alberta Securities Commission is the principal regulator for this application;

(b) the Filers have provided notice that Subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Northwest Territories, Yukon and Nunavut; and

(c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 55-104 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

This decision is based on the following facts represented by the Filers:

Source

1. Source is a corporation existing under the laws of the Province of Alberta and is a reporting issuer under the securities legislation of each of the provinces and territories of Canada. Source is not in default of securities legislation in any jurisdiction.

2. The head office of Source is located in Calgary, Alberta.

3. The authorized share capital of Source consists of an unlimited number of common shares (**Common Shares**), an unlimited number of preferred shares, issuable in series, and an unlimited number of Class B Shares. As at November 30, 2017, Source had 61,551,712 Common Shares, 1,300,154 Class B Shares and no preferred shares of any series issued and outstanding.

4. The Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "SHLE".

McMahon

5. McMahon is a director of Source and is a reporting insider. McMahon is not in default of securities legislation in any jurisdiction.

6. As at November 30, 2017, McMahon beneficially owned, controlled or directed 8,197,903 Common Shares (representing approximately 13% of the then outstanding Common Shares) and 8,571 deferred cash units.

7. McMahon wishes to sell up to a total of 170,000 Common Shares pursuant to the ASDP (as defined below).

The Automatic Securities Disposition Plan

8. RBC Dominion Securities Inc. (the **Administrator**), Source and McMahon entered into an automatic securities disposition plan (the **ASDP**) dated effective November 17, 2017 to facilitate the automatic sale of up to 170,000 Common Shares beneficially owned by McMahon that have been deposited into an account managed by the Administrator in accordance with the trading parameters and other instructions set out in the ASDP.

9. McMahon can only make changes to the trading parameters and other instructions set out in the ASDP or voluntarily terminate the ASDP if all of the following conditions are met:

   (a) McMahon has obtained the prior written consent of Source in accordance with Source's disclosure policy;

   (b) McMahon has provided notice to the public of the proposed change by describing it in a filing on the System for Electronic Disclosure by Insiders (SEDI) and in a news release, which shall include a representation that at the time of the amendment or voluntary termination he was not aware of or in possession of a undisclosed material fact or material change about Source or any securities of Source; and

   (c) McMahon has provided the Administrator with a certificate from Source confirming that Source has pre-cleared the amendment or voluntary termination of the ASDP in accordance with Source's disclosure policy.

10. The ASDP does not provide for any waiting period following the voluntary termination of the ASDP by McMahon before he can enroll in a new ASDP. However, this decision does not provide the Requested Relief in respect of any new ASDP or beyond the time specified in 20(a).

11. The Administrator is a securities broker that is at arm's length to Source and McMahon.

12. The Administrator has been appointed as an independent broker to effect sales of the Common Shares pursuant to the terms and conditions of the ASDP. The dispositions under the ASDP will be effected by the Administrator in accordance with the pre-determined instructions as to the number and dollar value of the Common Shares to be sold, and other relevant information, all as set out in the ASDP.

13. Excluding block trades, the maximum number of Common Shares that can be sold pursuant to the ASDP on any trading day shall not exceed 10% of the average daily trading volume in such Common Shares over the previous 20 days.

14. Except to set trading parameters in the manner described, McMahon does not have the authority to make investment decisions or influence or control any disposition effected by the Administrator pursuant to the ASDP and the Administrator and McMahon will not consult regarding any disposition.

15. McMahon will not disclose to the Administrator any information concerning Source that might influence the execution of any disposition under the ASDP.

16. The ASDP includes a waiting period of 30 days between the date of adoption of the ASDP and the date that the first disposition may be made under the ASDP.

17. The ASDP has been structured to comply with applicable securities legislation and guidance, including Paragraph 147(7)(c) of the *Securities Act* (Alberta) (the **Alberta Act**), Paragraph 175(2)(b) of the General Regulation under the Ontario Act and Ontario Securities Commission Staff Notice 55-701 *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans* (**OSC Notice 55-701**).

18. At the time of execution of, and entering into the ASDP, McMahon represented that he was not aware of or in possession of material non-public information about Source or any securities of Source and that he was entering into the ASDP in good faith and not as part of a plan or scheme to evade the insider trading prohibitions under applicable Canadian securities legislation.

19. The Common Shares are not subject to any liens, security interests or other impediments to transfer (except for limitations imposed by any applicable laws).

20. The ASDP will automatically terminate on the earliest to occur of the following:

   (a) 4:00 p.m. Eastern Time on February 17, 2018;

(b) 4:00 p.m. Eastern Time on the date the Administrator receives notice of McMahon's death;

(c) in the case where McMahon's tenure as a director of Source should cease for any reason, 4:00 p.m. Eastern Time on the 30th day after the date such tenure ceases;

(d) the time no Common Shares remain in the account managed by the Administrator;

(e) 4:00 p.m. Eastern Time on the date on the which Administrator or the Administrator's investment advisor responsible for executing the ASDP receives notice (in the case of clause (e)(i) below, from McMahon, and in the case of clause (e)(ii) below, from McMahon or his legal representative) of (i) a publicly announced take-over bid or exchange offer with respect to the Common Shares or merger, amalgamation, arrangement, acquisition, reorganization, recapitalization or comparable transaction affecting the securities of the Issuer as a result of which the Common Shares are to be exchanged or converted into cash and/or securities of another entity, or (ii) the commencement or impending commencement of any proceedings in respect of or triggered by McMahon's bankruptcy;

(f) 4:00 p.m. Eastern Time on the third business day following the date that the ASDP is terminated voluntarily by McMahon in accordance with paragraph 9 of this decision.

21. McMahon will not amend or terminate the ASDP with knowledge of a material fact or material change that has not been generally disclosed and will only do so in good faith and not as part of a plan or scheme to evade the prohibitions of Section 147 of the Alberta Act, Section 76 of the Ontario Act or comparable prohibitions in other securities legislation.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that McMahon shall file a report through SEDI, by March 31 of each calendar year, of all dispositions under the ASDP during the prior calendar year not previously disclosed in a SEDI filing, disclosing either of the following:

(a) each disposition on a transaction-by-transaction basis;

(b) all dispositions as a single transaction using the average unit price of the securities.

"Tom Graham, CA"
Director, Corporate Finance
Alberta Securities Commission

2.1.5 R&R Venture Partners II, LLC

Headnote

NI 62-104 s. 6.1(1) – Filer exempt from the take-over bid requirements in Part 2 of NI 62-104 in connection with proposed normal course purchases of the common shares of the Issuer, subject to conditions – Filer acquired large block of Issuer's common shares in connection with Issuer's Qualifying Acquisition pursuant to TSXV Policy 2.4 – Filer seeking flexibility to purchase additional common shares in market and to provide liquidity in common shares – Filer granted relief to acquire common shares in normal course provided that such purchases satisfy the requirements of section 4.1 of NI 62-104, except that, for the purpose of calculating the 5% purchase limit, the common shares acquired by the Filer pursuant to the Issuer's Qualifying Acquisition will be excluded.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids, Part 2 and s. 6.1(1).

December 14, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
R&R VENTURE PARTNERS II, LLC
("the Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for an exemption (the "**Exemption Sought**"), pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**"), from the requirements applicable to take-over bids in Part 2 of NI 62-104 in connection with certain normal course market purchases of common shares ("**Common Shares**") of Five Star Diamonds Limited ("**FSD**") by the Filer.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for the application, and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (*"**MI 11-102**") is intended to be relied upon in Alberta and British Colombia.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meanings if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a limited liability corporation organized under the laws of Delaware with a registered head office at 767 Fifth Avenue, Suite 4200 New York, NY 10153 United States.

2. The Filer is a private venture capital company based in the United States and is not a reporting issuer or a registrant in any jurisdiction of Canada.

3. FSD is a corporation incorporated under the laws of British Columbia with its head office located at 390 Bay Street, Suite 806 Toronto, ON M5H 2Y2 and its registered office located at Suite 704 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5. FSD is a reporting issuer in British Columbia, Alberta and Ontario.

4. FSD's authorized share capital consists of an unlimited number of Common Shares without par value. As of November 2, 2017, 128,927,096 Common Shares were issued and outstanding.

5. The Common Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**"). Based on the closing price of $0.21 of the Common Shares on the TSXV on October 31, 2017, the current market capitalization of FSD is approximately $27,074,690.

6. FSD completed its Qualifying Transaction (as defined in TSXV Policy 2.4) on April 20, 2017 pursuant to which it acquired all of the ordinary shares ("**BVI Shares**") of Five Star Diamond Ltd ("**Five Star BVI**"), by way of a three-cornered amalgamation. Pursuant to the Qualifying Transaction, each of the shareholders of Five Star BVI exchanged all of their BVI Shares for Common Shares.

7. Five Star BVI is a corporation incorporated under the British Virgin Islands on May 27, 2014. The registered head office of Five Star BVI was at 2nd Floor, Abbott Building, Waterfront Drive, Road Town, Tortola, British Virgin Islands.

8. Five Star BVI is not a reporting issuer in any jurisdiction and none of Five Star BVI's securities are listed for trading on any marketplace. Immediately prior to the Qualifying Transaction, there were 104,279,944 BVI Shares issued and outstanding.

9. Five Star BVI and FSD were acting at arm's length in agreeing to and completing the Qualifying Transaction.

10. Immediately prior to the Qualifying Transaction, the Filer held 33,875,014 BVI Shares, approximately 32% of the issued and outstanding ordinary shares, of which 20,000,000 BVI Shares were acquired by the Filer on May 26, 2015, 6,250,000 BVI Shares were acquired by the Filer on December 9, 2015 and 6,250,000 BVI Shares were acquired on May 4, 2016. 1,375,014 additional BVI Shares were issued to the Filer on April 13, 2017 pursuant to price adjustment provisions that attached to the shares issued on May 26, 2015.

11. Pursuant to the Qualifying Transaction, the Filer exchanged its BVI Shares for 33,875,014 Common Shares. On completion of the Qualifying Transaction, the Filer held 33,875,014 Common Shares or approximately 26.3% of the issued and outstanding Common Shares.

12. The Filer has not acquired any Common Shares subsequent to the completion of the Qualifying Transaction.

13. As a result of the Common Shares acquired by the Filer pursuant the Qualifying Transaction, the Filer exercises control or direction over more than 20% of the issued and outstanding Common Shares. As such, any additional purchase by the Filer of Common Shares would constitute a take-over bid under NI 62-104 requiring the Filer to comply with the formal take-over bid requirements in Part 2 of NI 62-104, unless an exception from those requirements is available.

14. The Filer is unable to acquire additional Common Shares through normal course purchases in the market pursuant to the take-over bid exemption in Section 4.1 of NI 62-104 (the "**Normal Course Purchase Exemption**") until April 20, 2018, being the date which is 12 months after the date that the Filer acquired the Common Shares pursuant to the Qualifying Transaction. The Filer would like the flexibility to acquire additional Common Shares by way of market purchases through the facilities of the TSXV prior to April 20, 2018.

15. Subject to applicable law and depending on the prices at which the Common Shares are trading, the Filer intends to acquire up to 5% of the issued and outstanding Common Shares pursuant to normal course market purchasers.

16. The interest of the Filer in being able to acquire Common Shares is not to increase its control position in FSD but instead to preserve its ability to purchase Common Shares, depending on the prices at which Common Shares are trading, and to provide liquidity to the market.

17. The Filer does not have any current intention of making a take-over bid for all of the issued and outstanding Common Shares, or otherwise acquiring all of the issued and outstanding Common Shares by way of a plan of arrangement or other similar voting transaction.

18. The Filer will not purchase Common Shares at any time when it has knowledge of any material fact or material change about FSD which has not been generally disclosed.

19. FSD is aware that an application has been submitted for the Exemption Sought and management of FSD supports the Exemption Sought on the basis that normal course purchases of the Common Shares will provide additional liquidity in the market.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the acquisitions of Common Shares by the Filer in the market comply with the Normal Course Purchase Exemption, except that, for the purpose of determining the number of Common Shares acquired by the Filer within the 12-month period preceding the date of any such purchase of Common Shares in the market, the Common Shares acquired by the Filer pursuant to the Qualifying Acquisition shall be excluded in the calculation of acquisitions of Common Shares otherwise made by the Filer within the previous 12-month period.

"Naizam Kanji"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.1.6 Palos Management Inc. and Palos Wealth Management Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions. Under paragraph 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual is registered as a dealing, advising or associate advising representative of another registered firm. The Filers are affiliated entities and have valid business reasons for the individuals to be registered with both firms. The individuals will have sufficient time to adequately serve both firms. The Filers have policies in place to handle potential conflicts of interest. The Filers are exempted from the prohibition.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.
Derivatives Act (Quebec), s. 86.
Derivatives Regulation (Quebec), s. 11.1.

December 22, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE DERIVATIVES LEGISLATION OF
QUÉBEC

AND

IN THE MATTER OF
PALOS MANAGEMENT INC.
(PMI)

AND

PALOS WEALTH MANAGEMENT INC.
(PWM, and together with PMI, the Filers)

DECISION

1. Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (**Legislation**) for relief from the restriction in paragraph 4.1(1)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), pursuant to section 15.1 of NI 31-103, to permit Mr. Charles Marleau and Mr. Bechara Haddad to act as advising representatives of PWM and also act as advising representatives and dealing representatives of PMI (the **Exemption Sought**).

The securities regulatory authority in Québec has received an application from the Filers for a decision under the derivatives legislation of Québec for relief from section 11.1 of the *Derivatives Regulation* (Québec) pursuant to section 86 of the *Derivatives Act* (Québec) to allow Mr. Charles Marleau to act as a derivatives advising representative for each Filer (the **Derivatives Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a hybrid application):

(a) the *Autorité des marchés financiers* (**AMF**) is the principal regulator for this application;

(b) in respect of the Exemption Sought, the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Saskatchewan and Yukon Territory;

(c) the decision with respect to the Exemption Sought is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario; and

(d) the decision with respect to the Derivatives Exemption Sought is the decision of the principal regulator.

2. Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

3. Representations

This decision is based on the following facts represented by the Filers:

PWM

3.1 PWM is a corporation incorporated under the *Business Corporations Act* (Québec). Its head office is located at 1670-1 Place Ville-Marie, Montréal, Québec, H3B 2B6, and its principal securities regulator is the AMF. PWM is controlled by Palos Capital Corporation.

3.2 PWM is registered in the category of portfolio manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon Territory.

3.3 On February 28, 2017, PWM was registered as derivatives portfolio manager, limited to options, in Québec. On March 7, 2017, PWM filed applications to become registered as an adviser under the commodity futures legislation of Ontario (Commodity Trading Manager category) and of Manitoba.

3.4 PWM was created to complete the spin-off of PMI's wealth management business for business reasons. As part of the spin-off, all the segregated accounts related to the wealth management business of PMI (the **Wealth Management Accounts**) will be transferred to PWM and will be managed by PWM (the **Spin-off**). Following the Spin-off, PMI will no longer conduct wealth management business. It is intended that the Spin-off be completed at the end of the calendar year 2017.

PMI

3.5 PMI is a corporation incorporated under the *Business Corporations Act* (Québec). Its head office is located at 1670-1 Place Ville-Marie, Montréal, Québec, H3B 2B6, and its principal securities regulator is the AMF. PMI is controlled by Palos Capital Corporation.

3.6 Founded in 2001, PMI is a boutique financial management firm headquartered in Montréal that offers a variety of investment products and solutions. As mentioned above, all the Wealth Management Accounts will be transferred to PWM and PMI will no longer have any segregated accounts.

3.7 PMI is registered in the categories of exempt market dealer, portfolio manager and investment fund manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon Territory. PMI is also registered in the category of derivatives portfolio manager in Québec.

Mr. Charles Marleau

3.8 Mr. Marleau is the president of PMI and the secretary and treasurer of PWM. He is also a board member of both companies.

3.9 Mr. Marleau holds 50% of the voting securities of the entity which controls Palos Capital Corporation and is a director of Palos Capital Corporation, PMI and PWM.

3.10 Mr. Marleau is registered as a dealing representative, an advising representative and the ultimate designated person of PMI in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon Territory. Since February 10, 2017, he has also been registered as a derivatives advising representative of PMI in Québec.

3.11 On February 28, 2017, Mr. Marleau was registered as officer in charge of derivatives limited to options for PWM in Québec.

3.12 In addition to his current registration with PMI, the Filers wish to register Mr. Marleau as an advising representative of PWM in all jurisdictions where PWM is currently registered under securities legislation and also wish to register Mr. Marleau as derivatives advising representative, limited to options, in Québec, as advising representative (commodity trading manager), limited to options, in Ontario and as adviser, limited to options, in Manitoba.

3.13 In respect of the Exemption Sought and the Derivatives Exemption Sought, it is anticipated that Mr. Marleau will spend 75% of his time working for PMI and 25% of his time working for PWM and he will have sufficient time to adequately serve both Filers.

Mr. Bechara Haddad

3.14 Mr. Haddad is registered as a dealing representative and as an advising representative of PMI in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon Territory.

3.15 In addition to his current registration with PMI, the Filers wish to register Mr. Haddad with PWM as an advising representative in all jurisdictions where PWM is currently registered under securities legislation.

3.16 In respect of the Exemption Sought, it is anticipated that Mr. Haddad will spend 50% of his time working for PMI and 50% of his time working for PWM and he will have sufficient time to adequately serve both Filers.

Additional Representations

3.17 On November 25, 2016 (before the Spin-off), an employee of PMI (the **Employee**), who acted as advising representative and as derivatives advising representative for the PMI funds and for the Wealth Management Account clients, ceased his employment with PMI.

3.18 On February 10, 2017, Mr. Marleau (who was already registered as an advising representative) was registered in the additional category of derivatives advising representative for PMI to replace the Employee in his functions. Consequently, Mr. Marleau currently (before the Spin-off) services the Wealth Management Account clients.

3.19 Given that the Wealth Management Accounts for which Mr. Marleau currently acts as advising representative and as derivatives advising representative will be transferred to PWM as part of the Spin-off, the Filers wish to have Mr. Marleau be registered as advising representative and as derivatives advising representative for PWM in order for the Wealth Management Account clients to continue to receive Mr. Marleau's services.

3.20 The Exemption Sought and the Derivatives Exemption Sought would allow Mr. Marleau to pursue the same activities that he had prior to the Spin-off. The Derivatives Exemption Sought will allow Mr. Marleau to advise both the PMI funds and the Wealth Management Account clients on derivatives.

3.21 Mr. Haddad is registered as dealing representative and as advising representative of PMI. He currently acts as an advising representative for both the PMI funds and the Wealth Management Account clients.

3.22 Following the Spin-off, the Wealth Management Accounts will be transferred to PWM and PMI will no longer have any segregated accounts. The Exemption Sought will allow Mr. Haddad to continue to act as an advising representative for the Wealth Management Account clients as well as for the PMI funds. This means that the Exemption Sought would allow Mr. Haddad to pursue the same activities that he had prior to the Spin-off, and would allow the Wealth Management Account clients to continue to receive Mr. Haddad's services.

3.23 PMI and PWM each have adequate policies and procedures in place to address any conflicts of interests that may arise, including any conflicts of interest that may arise as a result of the dual registration of Mr. Marleau and Mr. Haddad, and will deal appropriately with any such conflicts. Mr. Marleau and Mr. Haddad are both aware of those policies and procedures.

3.24 The PMI funds and the Wealth Management Accounts have different investment strategies and are not expected to compete for the same investments, which further mitigates the risks of conflicts of interest arising from the dual registration.

3.25 Mr. Marleau and Mr. Haddad will also have to comply with the code of conduct that has been adopted by each Filer, which will require both registrants to act fairly, honestly and in good faith and in the best interests of the funds and clients, as applicable, of each Filer.

3.26 The dual registration of Mr. Marleau and Mr. Haddad will not give rise to the conflicts of interest that may be present in a similar arrangement involving unrelated, arm's length firms. Since the Filers are under common control, each such entity is an affiliate of the other. The interests of the Filers are aligned in connection with the appropriate management and administration of each of the PMI funds and Wealth Management Account clients.

3.27 Each Filer has appropriate compliance and supervisory policies and procedures in place to monitor the conduct of its registered individuals. In particular, Mr. Marleau and Mr. Haddad will be subject to the supervisory requirements and the applicable compliance requirements of each of the Filers in the same way as any other employee of each of the Filers. Mr. Marleau, on behalf of PWM, will not conduct assessment, supervision or oversight of investment management activities for the PMI funds where Mr. Marleau has a personal role in providing those investment management services. The chief compliance officer will take appropriate measures to address any issue that may arise involving Mr. Marleau (a very senior member of management and significant indirect shareholder of Palos Capital Corporation), including notifying the board of directors, the audit committee, or the independent review committee of Palos Capital Corporation, PMI, PWM, or the PMI funds as required and applicable. PMI will not hire PWM, either directly or as a sub-advisor, to provide investment management services for the PMI funds.

3.28 Each Filer's chief compliance officer and ultimate designated person will ensure that Mr. Marleau and Mr. Haddad each have sufficient time and resources to adequately serve each Filer and its respective clients and funds. The chief compliance officer of each Filer, who has been acting as chief compliance officer of PMI for at least two years, will supervise Mr. Marleau. As chief compliance officer of both Filers, the chief compliance officer has direct access to the board of directors of each Filer and submits an annual report to the board of directors of each Filer as required by section 11.4 of NI 31-103 and paragraph 5.2(d) of NI 31-103, respectively. The board of directors of each Filer is made of up three directors (and Mr. Marleau is one of those directors in respect of both Filers).

3.29 PMI has provided notice pursuant to section 11.9 of NI 31-103 of the transfer of all the Wealth Management Accounts to PWM.

The AMF reviewed such notice, and issued a non-objection letter in respect of the acquisition of the Wealth Management Accounts by PWM.

3.30 Furthermore, in order to minimize client confusion, the dual registration of each of Mr. Marleau and Mr. Haddad and the relationship between PMI and PWM will be fully disclosed in writing to each client of the Filers that deal with Mr. Marleau and Mr. Haddad.

3.31 Neither of the Filers is in default of securities legislation, derivatives legislation or commodity futures legislation in any jurisdiction of Canada.

4. Decision

Each of the Decision Makers is satisfied that the decision in respect of the Exemption Sought meets the test set out in the Legislation for the Decision Maker to make the decision. The principal regulator is satisfied that the decision in respect of the Derivatives Exemption Sought meets the test set out in the *Derivatives Act* (Québec) for the principal regulator to make the decision.

The decision of the Decision Makers under the Legislation and the decision of the principal regulator under the *Derivatives Act* (Québec) is that the Exemption Sought and the Derivatives Exemption Sought, respectively, are granted provided that:

I. Mr. Marleau and Mr. Haddad are each subject to supervision by, and the applicable compliance requirements of, both Filers;

II. The chief compliance officer and ultimate designated person of each Filer ensures that Mr. Marleau and Mr. Haddad each have sufficient time and resources to adequately serve each Filer and its respective clients and funds;

III. The Filers each have adequate policies and procedures in place to address any conflicts of interests that may arise as a result of the dual registration of Mr. Marleau (who holds senior positions, and is a significant shareholder, in the Palos group of companies) and Mr. Haddad, and deal appropriately with any such conflicts; and

IV. The relationship between the Filers and the fact that Mr. Marleau and Mr. Haddad are dually registered with both Filers is fully disclosed in writing to each client of the Filers that deal with Mr. Marleau or Mr. Haddad.

"Eric Stevenson"
Superintendent, Client services
and Distribution Oversight

2.1.7 Melcor Real Estate Investment Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – issuer is a real estate investment trust which holds all of its properties through limited partnerships – entity holds units in limited partnerships which are exchangeable into and in all material respects the economic equivalent to the issuer's publicly traded units – relief granted from the valuation requirement for certain non-cash assets in connection with a specific related party transaction – valuation not required of exchangeable limited partnership units since public units can be a proxy for such exchangeable units – no information imbalance between the related party and minority shareholders since the reporting issuer has continuous disclosure obligations.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Shareholders in Special Transactions, ss. 5.4, 6.3, 9.1.

Citation: Re Melcor Real Estate Investment Trust, 2018 ABASC 2

January 2, 2018

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MELCOR REAL ESTATE INVESTMENT TRUST
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) for relief from the requirements of paragraph 6.3(1)(d) of MI 61-101 to obtain a formal valuation of the Exchangeable LP Units (as defined below) to be issued in connection with the Transaction (as defined below) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the Alberta Securities Commission is the principal regulator for the application,

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Québec, and

(c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

A term defined in National Instrument 14-101 *Definitions*, M1 61-101 or MI 11-102 has the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is an unincorporated open-ended real estate investment trust established under the laws of the province of Alberta pursuant to a declaration of trust dated January 25, 2013, as amended, (the **Declaration of Trust**) with its principal and head office located in Edmonton, Alberta.

2. The Filer is a reporting issuer under the securities legislation of each of the provinces and territories of Canada and is not in default of securities legislation in any such jurisdiction.

3. The Alberta Securities Commission has been selected as the principal regulator for the application in accordance with the guidelines set out in subsection 4.2(b) of MI 11-102 and paragraph 3.6(3)(b) of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*.

4. The Filer invests in income-producing real property located in Canada comprised primarily of office, retail, industrial and land lease community properties, with a future growth strategy focused primarily on the acquisition of further commercial properties.

Filer Units and Organization

5. The Filer's trust units (**Trust Units**) are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) (TSX: MR.UN).

6. Class B LP Units (**Exchangeable LP Units**) of Melcor REIT Limited Partnership (**Melcor LP**) are the economic equivalent of the Trust Units and are exchangeable on a one-for-one basis into Trust Units. Additionally, each Exchangeable LP Unit is accompanied by one special voting unit of the Filer (**Special Voting Unit**), which entitles the holder to voting rights in respect of the Filer that are in all respects equivalent to the voting rights such holder would have if they held a Trust Unit.

7. The Filer is authorized to issue an unlimited number of Trust Units and an unlimited number of Special Voting Units. As of November 27, 2017, there were 11,151,297 Trust Units and 14,615,878 Special Voting Units issued and outstanding.

8. Melcor LP is a limited partnership formed under the laws of the province of Alberta and is governed by an amended and restated limited partnership agreement dated May 1, 2013 (the **Melcor LP Agreement**). Melcor LP's head office is located in Edmonton, Alberta. It is the operating entity through which the Filer conducts its business.

9. Melcor REIT GP Inc. (**Melcor GP**), is a corporation incorporated under the laws of the province of Alberta. It is the general partner of Melcor LP and is wholly owned by the Filer.

10. Melcor LP is not a reporting issuer in any jurisdiction and none of its securities are listed or posted for trading on any stock exchange or other market.

11. Under the Melcor LP Agreement, Melcor LP is authorized to issue:

    (a) an unlimited number of units designated as **Class A LP Units**, of which 11,151,297 Class A LP Units were issued and outstanding as of November 27, 2017;

    (b) an unlimited number of Exchangeable LP Units, of which 14,615,878 Exchangeable LP Units were issued and outstanding as of November 27, 2017;

    (c) an unlimited number of units designated as "**Class C LP Units**", of which 9,454,411 Class C LP Units were issued and outstanding as of November 27, 2017; and

    (d) an unlimited number of general partnership units designated as "**Class A GP Units**", of which 1 Class A GP Unit was issued and outstanding as of November 27, 2017.

12. All of the outstanding Class A LP Units are held by the Filer. All of the outstanding Exchangeable LP Units and Class C LP Units are held indirectly by Melcor Developments Ltd. (**Melcor**), as they are held by Melcor REIT Holdings GP Inc.

(**Melcor Holdings**) (a wholly owned subsidiary of Melcor). All of the outstanding Class A GP Units are held by Melcor GP.

13. As of November 27, 2017, Melcor, indirectly through Melcor Holdings, holds a 56.7% economic interest in the Filer comprised of 14,615,878 Exchangeable LP Units and 9,454,411 Class C LP Units. In addition, Melcor, indirectly through Melcor Holdings, holds 14,615,878 Special Voting Units of the Filer. Melcor does not, directly or indirectly, hold any Trust Units. The Trust Units are widely held by the public.

14. Pursuant to the terms of an exchange agreement dated May 1, 2013 among the Filer, Melcor and Melcor LP (the **Exchange Agreement**), each Exchangeable LP Unit is exchangeable at the option of the holder for one Trust Unit of the Filer. Each Exchangeable LP Unit also has the same economic rights and entitlements to distributions as a Trust Unit of the Filer, and is accompanied by one Special Voting Unit which provides for the same voting rights in the Filer as a Trust Unit.

15. The Exchangeable LP Units cannot be exchanged either for any securities other than the Trust Units, or for cash. They are not listed and posted for trading on the TSX or any other stock exchange.

16. The Exchangeable LP Units represent part of the equity value of the Filer and provide the holder of the Exchangeable LP Units with the economic rights which are, in all material respects, equivalent to the Trust Units. The effect of Melcor's exchange right is that Melcor will receive Trust Units upon the exchange of the Exchangeable LP Units. Moreover, the economic interests that underlie the Exchangeable LP Units are and shall be, based solely upon the assets and operations held directly or indirectly by the operating entities of the Filer.

17. The Exchangeable LP Units are not transferable, except pursuant to an exchange of Exchangeable LP Units for Trust Units in accordance with the terms of the Exchange Agreement and provided:

    (a) such transfer is to an affiliate of the holder of the Exchangeable LP Units making the transfer and, so long as Melcor, Melcor REIT Holdings Limited Partnership or any of their affiliates is a holder of Exchangeable LP Units, to Melcor, Melcor REIT Holdings Limited Partnership or any of their affiliates (as affiliate is defined in the Melcor LP Agreement);

    (b) the conditions of such transfer do not require the person acquiring such Exchangeable LP Units to make an offer to the registered holders of Trust Units to acquire Trust Units on the same terms and conditions under applicable securities laws if such Exchangeable LP Units, and all other outstanding Exchangeable LP Units, were converted into Trust Units at the then current exchange ratio in effect under the Exchange Agreement immediately prior to such transfer;

    (c) the person acquiring such Exchangeable LP Units submits an identical and contemporaneous offer for Trust Units to the registered holders thereof (having regard to timing, price, proportion of securities sought to be acquired and any other conditions thereto), and acquires such Exchangeable LP Units along with a proportionate number of Trust Units actually tendered to such identical offer;

    (d) such transfer will not cause, or create a significant risk that would cause, Melcor LP to be liable for any taxes under section 197(2) of the *Income Tax Act* (Canada) (the **Tax Act**);

    (e) such transfer does not cause, or create a significant risk that would cause, the Filer to cease to qualify as a "real estate investment trust" under the Tax Act; and

    (f) such transfer is not to an Excluded Person. The Melcor LP Agreement defines "Excluded Person" as a person (as person is defined in the Melcor LP Agreement) that is: (i) a "non-resident" for the purposes of the Tax Act or a "financial institution" as defined in subsection 142.2(1) of the Tax Act; (ii) a person, an interest in which is a "tax shelter investment" for the purposes of the Tax Act; (iii) a person which would acquire an interest in Melcor LP as a "tax shelter investment" for the purposes of the Tax Act; (iv) a partnership that is not a "Canadian partnership" within the meaning of the Tax Act; or (v) not described in subparagraphs (b)(i) through (b)(v) of the definition of "excluded subsidiary entity" in section 122.1(1) of the Tax Act.

18. Further, certain rights affecting Melcor or any affiliates or related parties of Melcor, including Melcor REIT Holdings Limited Partnership, (collectively referred to as a **Melcor Limited Partner**) in its capacity as a holder of Exchangeable LP Units, as such rights are set out in the Declaration of Trust and the Exchange Agreement, are exclusive to the Melcor Limited Partner and are not transferable to a transferee of the Exchangeable LP Units that is not an affiliate of a Melcor Limited Partner.

19. The Filer and Melcor are parties to a Development and Opportunities Agreement dated May 1, 2013 (**Development and Opportunities Agreement**) which gives the Filer a preferential right to acquire any interest of Melcor in investment properties that it owns prior to disposition of any such interest to third parties.

The Proposed Transaction

20. Pursuant to the terms of an acquisition agreement dated December 4, 2017 the REIT, indirectly through Melcor LP, has agreed to acquire five commercial properties (the **Acquisition Properties**) from Melcor for an aggregate purchase price of approximately $80,875,000.00 (the **Purchase Price**), subject to certain customary adjustments (the **Transaction**). The Filer intends to satisfy: (i) approximately $2.5 million of the Purchase Price by issuing Exchangeable LP Units to Melcor; (ii) approximately $13.31 million of the Purchase Price by issuing Class C LP Units to Melcor; (iii) approximately $31.04 million of the Purchase Price by assuming certain mortgages registered against the Acquisition Properties; and (iv) approximately $34 million of the Purchase Price in cash. The Acquisition Properties were offered by Melcor to the Filer pursuant to the Development and Opportunities Agreement.

21. As a result Melcor's indirect ownership of Exchangeable LP Units, Class C LP Units and Special Voting Units, Melcor is a "control person" (as defined in the *Securities Act* (Alberta)) of the Filer. Melcor is a "related party" of the Filer and the Transaction is a "related party transaction", each within the meaning of MI 61-101. Accordingly, the Transaction is subject to the applicable requirements of Part 5 of MI 61-101 relating to, among other things, preparation of a formal valuation of the non-cash assets involved in the Transaction and the approval by a majority of the votes cast by disinterested unitholders of the Filer entitled to vote on the Transaction at a duly constituted meeting of holders of Trust Units of the Filer (**Unitholders**) held to consider the Transaction.

22. A committee of independent trustees of the Filer (the **Special Committee**) was established by the Filer for the purposes of considering the Transaction, supervising the process to be carried out by the Filer and its professional advisors in connection with the Transaction, determining whether the Transaction is in the best interests of the Filer and reporting and making recommendations to the board of trustees of the Filer with respect to the Transaction.

23. In order to satisfy the formal valuation requirements of MI 61-101 with respect to the Acquisition Properties, the Special Committee retained Altus Group Limited to provide an independent estimate of the market value of each of the Acquisition Properties as at September 30, 2017 (the **Appraisals**), under the supervision of the Special Committee. The Appraisals are "formal valuations" within the meaning of MI 61-101 and were prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and Standards of Professional Practice, each adopted by the Appraisal Institute of Canada.

24. The Special Committee also retained Trimaven Capital Advisors Inc. (**Trimaven**) to act as an independent financial advisor to the Special Committee to prepare and deliver to the Special Committee a formal fairness opinion in respect of the Transaction. On December 4, 2017, Trimaven delivered a fairness opinion which concluded, subject to the qualifications and assumptions therein, that the consideration payable pursuant to the Transaction is fair, from a financial point of view, to Unitholders, other than Melcor and certain of its associates and affiliates.

25. In order to satisfy the formal valuation requirements of MI 61-101 with respect to the Class C LP Units to be issued to Melcor in partial satisfaction of the Purchase Price, the Special Committee retained Trimaven to provide an independent estimate of the fair market value of such Class C LP Units (the **Class C Valuation**), under the supervision of the Special Committee. The Class C Valuation is a "formal valuation" within the meaning of MI 61-101 and was prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of Investment Industry Regulatory Organization of Canada. On December 4, 2017, Trimaven concluded that, subject to the qualifications and assumptions contained therein, the value of the Class C LP Units to be issued to Melcor in connection with the Transaction is between $13.0 million and $13.2 million.

26. The Filer expects to hold a special meeting of Unitholders on or about January 10, 2018 to obtain the approval of the Transaction by a majority of the minority Unitholders (the **Unitholder Meeting**) as required by MI 61-101.

27. The management information circular to be mailed to Unitholders in connection with the Unitholder Meeting (the **Circular**) will comply with the requirements of applicable securities legislation and will disclose, among other matters, that neither the Filer nor Melcor has knowledge of any material non-public information concerning the Filer, Melcor LP or their respective securities that has not been generally disclosed in accordance with paragraph 6.3(2)(b) of MI 61-101. The Circular will also provide a description of the effect of the Transaction on the direct or indirect voting interest in the Filer of Melcor.

The Exemption Sought

28. Paragraph 6.3(1)(d) of MI 61-101 states that an issuer required to obtain a formal valuation shall provide the valuation in respect of the non-cash assets involved in a related party transaction (the **Non-Cash Valuation Requirement**), which would include the Exchangeable LP Units to be issued to Melcor.

29. Subsection 6.3(2) of MI 61-101 states that a formal valuation of non-cash assets is not required for a related party transaction if:

    (a) the non-cash consideration or assets are securities of a reporting issuer or are securities of a class for which there is a published market;

    (b) the person that would otherwise be required to obtain the formal valuation of those securities states in the disclosure document for the transaction that the person has no knowledge of any material information concerning the issuer of the securities, or concerning the securities, that has not been generally disclosed;

    (c) in the case of an insider bid, issuer bid or business combination:

        (i) a liquid market in the class of securities exists;

        (ii) the securities constitute 25 per cent or less of the number of securities of the class that are outstanding immediately before the transaction;

        (iii) the securities are freely tradeable at the time the transaction is completed; and

        (iv) the valuator is of the opinion that a valuation of the securities is not required; and

    (d) in the case of a related party transaction for the issuer of the securities, the conditions of paragraphs 5.5(c)(i) and 5.5(c)(ii) of MI 61-101 are satisfied, regardless of the form of the consideration for the securities;

    (the foregoing referred to as the **Valuation Exemption**).

30. Paragraph 6.3(2)(a) of MI 61-101 would provide the Exemption Sought if Melcor were to be issued Trust Units instead of Exchangeable LP Units.

31. Although the Exchangeable LP Units are not securities of a reporting issuer or of a class for which there is a published market, they are, as a result of the rights, privileges and restrictions attaching to such Exchangeable LP Units and the various material agreements relating to and governing the Exchangeable LP Units, equivalent to the Trust Units in all material respects on a per unit basis and, from the Filer's perspective, issuing Exchangeable LP Units through Melcor LP is equivalent to issuing Trust Units of the Filer.

32. The Exchangeable LP Units are economically equivalent to the Trust Units in that:

    (a) they are exchangeable into Trust Units on a one-for-one basis at any time at the option of the holder as well as automatically exchanged into Trust Units on a one-for-one basis in certain circumstances, including in connection with a take-over bid, the transfer of all of substantially all of the Filer's assets and other similar circumstances;

    (b) they have the same economic rights as Trust Units;

    (c) together with the Special Voting Units, they carry the same voting rights as Trust Units; and

    (d) any additional rights attached to the Exchangeable LP Units either: (i) pre-exist the issuance of the Exchangeable LP Units under the Transaction and treat the Exchangeable LP Units and Trust Units on the same basis, or (ii) arise solely by virtue of the Exchangeable LP Units being limited partnership units and are customary rights associated with limited partnership units.

33. The Exchangeable LP Units entitle the holder to distributions from Melcor LP equal to any distributions paid to holders of Trust Units by the Filer. Under the Exchange Agreement, the Filer may not distribute rights, options, securities, evidence of indebtedness or assets to its Unitholders, unless the economic equivalent of such rights, options, securities, evidence of indebtedness or assets to be issued or distributed are simultaneously issued or distributed by Melcor LP to holders of Exchangeable LP Units.

34. Each Exchangeable LP Unit is accompanied by one Special Voting Unit of the Filer, which provides for the same voting rights in the Filer as a Trust Unit. Additionally, except as required by law and in certain circumstances in which the rights of a holder of Exchangeable LP Units are affected, holders of Exchangeable LP Units are not entitled to vote at a meeting of the holders of Exchangeable LP Units.

35. Although Melcor was granted additional rights at the time of the Filer's initial public offering, including pre-emptive rights, registration rights, board appointment rights and limited approval rights, these rights are independent of, and pre-exist, the issuance of the Exchangeable LP Units under the Transaction and are based on ownership thresholds that treat Exchangeable LP Units and Trust Units on a combined basis. As a result, by acquiring Exchangeable LP Units rather than Trust Units, Melcor does not gain any additional or unique rights or benefits that it would not otherwise have. Any additional rights attached to the Exchangeable LP Units arise solely by virtue of the Exchangeable LP Units being limited partnership units and are customary rights associated with limited partnership units that do not confer any special benefit on the holders of Exchangeable LP Units. Other than the rights described above, the Exchangeable LP Units carry no other rights that would impact their value.

36. Other than in respect of matters affecting the rights, benefits or entitlements of the holders of Exchangeable LP Units or as required by law, a holder of Exchangeable LP Units does not, and shall not, have the right to exercise any votes in respect of matters to be decided by the partners of Melcor LP and the Exchangeable LP Units do not provide the holder thereof with an interest in any specific asset or property of Melcor LP.

37. Absent the Exemption Sought, the Non-Cash Valuation Requirement would require the Filer to have a formal valuation prepared in respect of the Exchangeable LP Units to be issued to Melcor as partial consideration for the Acquisition Properties. Any such formal valuation would, in all material respects, mirror a formal valuation of the Trust Units. Pursuant to the Valuation Exemption in subsection 6.3(2) of MI 61-101, a formal valuation would not be required if Trust Units, rather than their economic equivalent, Exchangeable LP Units, were issued as the Trust Units are securities of a reporting issuer for which there is a published market.

38. As a result, absent the Exemption Sought, the Filer would be subject to a requirement that is inconsistent with the logic underlying the exemption of securities of a reporting issuer or for which there is a published market from the requirement to obtain a formal valuation (i.e., the Valuation Exemption).

Decision

The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Exemption Sought.

The decision of the Decision Maker under the Legislation is that the Exemption Sought is granted, provided that:

(a) neither the Filer, nor to the knowledge of the Filer after reasonable inquiry, Melcor or its affiliates has knowledge of any material fact or material change concerning the Filer, Melcor LP or their respective securities that has not been generally disclosed;

(b) the Circular includes the required disclosure under MI 61-101 with respect to the Transaction and otherwise complies with the requirements of applicable securities legislation, and includes:

(i) a statement that neither the Filer, nor to the knowledge of the Filer after reasonable inquiry, Melcor or its affiliates has knowledge of any material fact or material change concerning the Filer, Melcor LP or their respective securities that has not been generally disclosed; and

(ii) a description of the effect of the Transaction on the direct or indirect voting interest in the Filer of Melcor and its affiliates.

"Denise Weeres"
Manager, Legal
Corporate Finance
Alberta Securities Commission

2.2 Orders

2.2.1 Allianz Global Investors U.S. LLC – s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Foreign adviser exempted from the adviser registration requirement in paragraph 22(1)(b) of the Commodity Futures Act (Ontario) where such adviser acts as an adviser in respect of commodity futures contracts or commodity futures options (Contracts) for certain investors in Ontario who meet the definition of "permitted client" in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Contracts are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada.

Terms and conditions of exemption correspond to the relevant terms and conditions of the comparable exemption from the adviser registration requirement available to international advisers in respect of securities set out in section 8.26 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Exemption also subject to a "sunset clause" condition.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 1(1), 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).

Instruments Cited

Ontario Securities Commission Rule 13-502 Fees.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.26.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the "CFA")

AND

IN THE MATTER OF
ALLIANZ GLOBAL INVESTORS U.S. LLC
(the "APPLICANT")

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of the Applicant to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 80 of the CFA (the **Order**), that the Applicant, and any individuals engaging in, or holding themselves out as engaging in, the business of advising others as to trading in **Contracts** (as defined below) on the Applicant's behalf (the **Representatives**), be exempt, for a specified period of time, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND WHEREAS for the purposes of this Order:

"CFA Adviser Registration Requirement" means the requirement in paragraph 22(1)(b) of the CFA that prohibits a person or company from acting as an adviser with respect to trading in Contracts unless the person or company is registered in the appropriate category of registration under the CFA;

"CFTC" means the Commodity Futures Trading Commission of the United States;

"Contract" means "commodity futures contracts" and "commodity futures options" as such terms are defined in subsection 1(1) of the CFA;

"Foreign Contract" means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

"International Adviser Exemption" means the exemption set out in section 8.26 of NI 31-103 from the OSA Adviser Registration Requirement;

"NFA" means the National Futures Association of the United States;

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, as amended from time to time;

"OSA" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended from time to time;

"OSA Adviser Registration Requirement" means the requirement in subsection 25(3) of the OSA that prohibits a person or company from engaging in the business of, or holding himself, herself or itself out as engaging in the business of, advising anyone with respect to investing in, or the buying or selling of securities, in Ontario, unless the person or company is registered in the appropriate category of registration under the OSA;

"Permitted Client" means a client in Ontario that is a "permitted client", as that term is defined in section 1.1 of NI 31-103, except that for the purposes of this Order such definition shall exclude a person or company registered as an adviser or dealer under the securities legislation or derivatives legislation, including commodity futures legislation, of a jurisdiction of Canada;

"SEC" means the Securities and Exchange Commission of the United States;

"specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*;

"United States" means the United States of America; and

"United States Advisers Act" means the *Investment Advisers Act of 1940* of the United States, as amended from time to time.

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware, United States. The Applicant's head office is located in the State of New York, United States.

2. The Applicant provides discretionary and non-discretionary investment management services throughout the world. The Applicant manages client portfolios (either directly, or through model delivery and wrap fee programs) applying various processes across a variety of investment strategies, including, but not limited to, domestic equity, global equity, international equity, fixed income, income and growth, high yield bond, balanced strategies, multi-asset allocation, risk overlay, convertibles, collateralized loans, and infrastructure debt. As of September 30, 2017, the Applicant has US $108.269 Billion in assets under management.

3. In the United States, the Applicant is currently:

   (a) registered with the SEC as an investment adviser under the United States Advisers Act;

   (b) registered with the CFTC as a commodity trading adviser and a commodity pool operator, and approved as a "swap firm";

   (c) a member of the NFA; and

   (d) providing Advisory Services (as defined below) and sub-advisory services.

4. The Applicant and the Representatives are registered in a category of registration, or operate under an exemption from registration, under the commodities futures or other applicable legislation of the United States, that permit them to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit them to carry on in Ontario.

5. The Applicant's head office and principal place of business is not in Canada.

6. In Canada, the Applicant is currently:

   (a) not registered in any capacity under the CFA;

(b) registered as an exempt market dealer under applicable securities law in each of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, and Québec under National Registration Database number 9820, and has applied for registration as an exempt market dealer in Saskatchewan;

(c) relying on the International Adviser Exemption in each of British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, and Québec; and

(d) an exempt international investment fund manager under section 4 of Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers* in each of Ontario and Québec.

7. The Applicant is not in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada. The Applicant is in compliance in all material respects with securities laws, commodity futures laws, and derivatives laws of the United States.

8. The Applicant seeks to engage in the business of a discretionary and non-discretionary adviser on behalf of institutional investors in Ontario that are Permitted Clients (including (i) investment funds, the securities of which will be qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada (the **Investment Funds**); and (ii) investment funds, the securities of which will be sold on a private placement basis in Ontario and certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 Prospectus and Registration Exemptions (the **Pooled Funds**)) who engage the Applicant as a discretionary investment manager for purposes of implementing certain specialized investment strategies employing primarily Foreign Contracts (the **Advisory Services**).

9. The Advisory Services will include the use of specialized investment strategies employing Foreign Contracts, and the Applicant will not advise in Ontario on Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts.

10. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as a partner or an officer of a registered adviser and is acting on behalf of such registered adviser.

11. Were the Advisory Services limited to securities (as defined in subsection 1(1) of the OSA), the Applicant would be able to rely on the International Adviser Exemption to provide such services to Permitted Clients on a basis that would be exempt from the OSA Adviser Registration Requirement.

12. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the International Adviser Exemption. Consequently, in the absence of the Order, the Applicant would be required to satisfy the CFA Adviser Registration Requirement to provide the Advisory Services to Permitted Clients.

13. The Applicant confirms that there are currently no regulatory actions of the type contemplated by the *Notice of Regulatory Action* attached as Appendix "B".

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to make this Order;

IT IS ORDERED, pursuant to section 80 of the CFA, that the Applicant and the Representatives are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of providing advice to Permitted Clients as to the trading of Foreign Contracts provided that:

(a) the Applicant provides advice to Permitted Clients only as to trading in Foreign Contracts and does not advise any Permitted Client as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;

(b) the Applicant's head office or principal place of business remains in the United States;

(c) the Applicant is registered in a category of registration, or operates under an exemption from registration, under the applicable securities or commodity futures legislation of the United States that permits it to carry on the activities in the United States that registration under the CFA as an adviser in the category of commodity trading manager would permit it to carry on in Ontario;

(d) the Applicant continues to engage in the business of an adviser (as defined in the CFA) in the United States;

(e) as at the end of the Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Applicant, its affiliates and its affiliated partnerships (excluding the gross

revenue of an affiliate or affiliated partnership of the Applicant if the affiliate or affiliated partnership is registered under securities legislation, commodity futures legislation or derivatives legislation of a jurisdiction of Canada) was derived from the portfolio management activities of the Applicant, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, includes both securities-related and commodity-futures-related activities);

(f) before advising a Permitted Client with respect to Foreign Contracts, the Applicant notifies the Permitted Client of all of the following:

(i) the Applicant is not registered in Ontario to provide the advice described in paragraph (a) of this Order;

(ii) the foreign jurisdiction in which the Applicant's head office or principal place of business is located;

(iii) all or substantially all of the Applicant's assets may be situated outside of Canada;

(iv) there may be difficulty enforcing legal rights against the Applicant because of the above; and

(v) the name and address of the Applicant's agent for service of process in Ontario;

(g) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A";

(h) the Applicant notifies the Commission of any regulatory action initiated after the date of this Order with respect to the Applicant or any predecessors or the specified affiliates of the Applicant by completing and filing Appendix "B" within 10 days of the commencement of each such action, provided that the Applicant may also satisfy this condition by filing with the Commission,

(i) within 10 days of the date of this Order, a notice making reference to and incorporating by reference the disclosure made by the Applicant pursuant to federal securities laws of the United States that is identified on the Investment Adviser Public Disclosure website, and

(ii) promptly, a notification of any Form ADV amendment and/or filing with the SEC that relates to legal and/or regulatory actions; and

(i) if the Applicant is not subject to the requirement to pay a participation fee in Ontario because it is not registered under the OSA and does not rely on the International Adviser Exemption, by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of Ontario Securities Commission Rule 13-502 Fees as if the Applicant relied on the International Adviser Exemption; and

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

(a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;

(b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Applicant to act as an adviser to a Permitted Client; and

(c) five years after the date of this Order.

DATED at Toronto, Ontario, this 29th day of December, 2017.

"Janet Leiper"
Commissioner
Ontario Securities Commission

"Frances Kordyback"
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("International Firm"):

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

   Name:
   E-mail address:
   Phone:
   Fax:

6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):

   ☐ Section 8.18 [*international dealer*]

   ☐ Section 8.26 [*international adviser*]

   ☐ Other [specify]:

7. Name of agent for service of process (the "Agent for Service"):

8. Address for service of process on the Agent for Service:

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator

    a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;

    b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;

    c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [*Insert name of International Firm*] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

_____
(Signature of the Agent for Service or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Settlement Agreements

Has the firm, or any predecessors or specified affiliates[1] of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Disciplinary History

Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

		Yes	No
a)	Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?	___	___
(b)	Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?	___	___
(c)	Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?	___	___
(d)	Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?	___	___
(e)	Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?	___	___
(f)	Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?	___	___
(g)	Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?	___	___

If yes, provide the following information for each action:

Name of entity	
Type of action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

[1] In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

3. Ongoing Investigations

Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Authorized signing officer or partner

Name of firm:
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

2.2.2 Anfield Gold Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

January 3, 2018

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
ANFIELD GOLD CORP.
(the Filer)

ORDER

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the British Columbia Securities Commission is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador, and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 Definitions and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

3 This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

4 Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Gordon Smith"
Acting Director, Corporate Finance
British Columbia Securities Commission

2.2.3 Dennis Wing

IN THE MATTER OF
DENNIS WING

Janet Leiper, Commissioner and Chair of the Panel

January 5, 2018

ORDER

WHEREAS on January 3, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for Dennis Wing, appearing via teleconference, and Staff of the Commission, and considering the consents of the parties to the making of this order;

IT IS ORDERED THAT:

1. Blaney McMurtry LLP is removed as counsel of record for Dennis Wing; and

2. the hearing is adjourned until February 20, 2018 at 10:00 a.m., or as soon thereafter as the hearing can be held.

“Janet Leiper”

2.2.4 The Bank of Montreal and The Toronto-Dominion Bank – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to purchase, pursuant to a repurchase program and at a discounted purchase price, up to a specified number of its common shares under its normal course issuer bid from a third party – the third party will abide by the requirements governing normal course issuer bids as though it was the issuer, subject to certain modifications, including that the third party will not make any purchases under the program pursuant to a pre-arranged trade – common shares delivered to the issuer for cancellation will be common shares from the third party's existing inventory – due to the discounted purchase price, the common shares cannot be acquired through the TSX trading system – but for the fact that the common shares cannot be acquired through the TSX trading system, the issuer could otherwise acquire such shares in accordance with TSX rules and in reliance upon the issuer bid exemption available under section 4.8 of NI 62-104 – the third party will purchase common shares under the program on the same basis as if the issuer had conducted the bid in reliance on the normal course issuer bid exemptions set out in securities legislation – no adverse economic impact on, or prejudice to the issuer or its security holders – acquisition of securities exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the number of common shares transferred by the third party from its existing inventory to the issuer for purchase under the program be equivalent to the number of common shares that the third party has purchased, or had purchased on its behalf, on Canadian markets.

Statutes Cited

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
BANK OF MONTREAL AND
THE TORONTO-DOMINION BANK

ORDER
(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of Bank of Montreal (the "**Issuer**") and The Toronto-Dominion Bank ("**TD**", and together with the Issuer, the "**Filers**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 3,000,000 (the "**Program Maximum**") of its common shares (the "**Common Shares**") from TD pursuant to a share repurchase program (the "**Program**");

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Issuer having represented to the Commission the matters set out in paragraphs 1 to 4, inclusive, 10 to 20, inclusive, 22 to 29, inclusive, 33, 35, 37 to 39, inclusive, 41 and 42;

AND UPON TD and TD Securities Inc. ("**TDSI**" and together with TD, the "**TD Entities**") having represented to the Commission the matters set out in paragraphs 5 to 9, inclusive, 20 to 23, inclusive, 27, 30 to 34, inclusive, 36, 40, 42 and 43 as they relate to the TD Entities;

1. The Issuer is a Schedule I bank governed by the *Bank Act* (Canada).

2. The Issuer's executive offices are located at 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1, Canada and its head office is located at 129 rue Saint Jacques, Montreal, Quebec, H2Y 1L6, Canada.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada (the "**Jurisdictions**") and the Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbols "BMO" and "BMO:US", respectively. The Issuer is not in default of any requirement of the securities legislation of the Jurisdictions.

4. The authorized share capital of the Issuer consists of an unlimited number of Common Shares and an unlimited number of Class B preferred shares without par value, issuable in series. As at November 30, 2017, the Issuer had the following shares outstanding:

Common Shares outstanding	647,841,881
Class B preferred shares outstanding	
Class B – Series 16	6,267,391
Class B – Series 17	5,732,609
Class B – Series 25	9,425,607
Class B – Series 26	2,174,393
Class B – Series 27	20,000,000
Class B – Series 29	16,000,000
Class B – Series 31	12,000,000
Class B – Series 33	8,000,000
Class B – Series 35	6,000,000
Class B – Series 36	600,000
Class B – Series 38	24,000,000
Class B – Series 40	20,000,000
Class B – Series 42	16,000,000

5. TD is a Schedule I bank governed by the *Bank Act* (Canada). The executive office of TD is located in the Province of Ontario.

6. TDSI is registered as an investment dealer under the securities legislation of the Jurisdictions. It is also registered as a futures commission merchant under the *Commodity Futures Act* (Ontario), as a derivatives dealer under the *Derivatives Act* (Quebec) and as a dealer (futures commission merchant) under *The Commodity Futures Act* (Manitoba). TDSI is a member of the Investment Industry Regulatory Organization of Canada ("**IIROC**") and the Canadian Investor Protection Fund, a participating organization or member of the TSX, TSX Venture Exchange and Canadian Securities Exchange, and an approved participant of the Bourse de Montréal. The head office of TDSI is located in Toronto, Ontario.

7. TD does not own, directly or indirectly, more than 5% of the issued and outstanding Common Shares.

8. TD is the beneficial owner of at least 3,000,000 Common Shares, none of which were acquired by, or on behalf of, TD in anticipation or contemplation of resale to the Issuer (such Common Shares over which TD has beneficial ownership, the "**Inventory Shares**"). All of the Inventory Shares are held by TD in the Province of Ontario and all purchases of Inventory Shares by the Issuer from TD will be executed and settled in the Province of Ontario. No Common Shares were purchased by, or on behalf of, TD on or after November 12, 2017, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by TD to the Issuer.

9. TD is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the *Securities Act* (Ontario) (the "**Act**"). TD is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

10. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the "**Original Notice**") which was accepted by the TSX effective May 1, 2017, the Issuer is permitted to make a normal course issuer bid (the "**NCIB**") to purchase for cancellation, during the 12-month period beginning on May 1, 2017 and ending on April 30, 2018, up to 15,000,000 Common Shares, representing approximately 2.3% of the issued and outstanding Common Shares as of the date specified in the Original Notice. The Original Notice specified that purchases made under the NCIB were to be conducted through the facilities of the TSX or alternative Canadian trading systems, if eligible, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX Rules**"). On June 23, 2017, the TSX accepted an amendment (the "**Amendment**" and together with the Original Notice, the "**Notice**") to the Original Notice to specify that purchases made under the NCIB are to be conducted

through the facilities of the TSX, the NYSE and other designated exchanges and alternative Canadian trading systems, if eligible, or by such other means as may be permitted by the TSX in accordance with the TSX Rules or by such other means as may be permitted by the TSX, a securities regulatory authority or applicable securities laws and regulations, including under automatic purchase plans and by private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities.

11. The NCIB is being conducted in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(2) of NI 62-104 (the "**Designated Exchange Exemption**").

12. The NCIB is also being conducted in the normal course on the NYSE and other permitted published markets (collectively with the NYSE, the "**Other Published Markets**") in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(3) of NI 62-104 (the "**Other Published Markets Exemption**", and together with the Designated Exchange Exemption, the "**Exemptions**").

13. Pursuant to the TSX Rules, the Issuer has appointed BMO Nesbitt Burns Inc. ("**NB**") as its designated broker in respect of the NCIB (the "**Responsible Broker**").

14. The Notice states that the Issuer may implement an automatic repurchase plan (an "**ARP**") to permit the Issuer to make purchases under the NCIB at such times when the Issuer would not be permitted to trade in its securities, including regularly scheduled quarterly blackout periods and other internal blackout periods (each such time, a "**Blackout Period**"). The Issuer entered into an ARP with NB on September 1, 2017, which (a) was approved by the TSX and is in compliance with TSX Rules and applicable securities laws, and (b) is only operative when the Issuer provides written notice to NB to acquire Common Shares on its behalf. No ARP will be operative during the Program Term (as defined below).

15. During the course of the NCIB, Common Shares may be purchased by trustees or administrators that are not independent of the Issuer pursuant to the TSX Rules (each, a "**Plan Trustee**") in the open market to satisfy net requirements of certain plans sponsored by the Issuer (the "**Plan Trustee Purchases**"), including the Issuer's shareholder dividend reinvestment and share purchase plan and certain security based compensation plans of the Issuer for the benefit of directors of the Issuer and employees of the Issuer and its subsidiaries. The maximum number of Common Shares that the Issuer is permitted to repurchase under the NCIB, being 15,000,000, will be reduced by the number of Plan Trustee Purchases.

16. As part of the purchasing instructions set out in the Program Agreement (as defined below) for TD, the Issuer will include the dates during the Program Term on which Plan Trustee Purchases will be made, and the maximum number of Common Shares comprising the Plan Trustee Purchases that will be purchased on each such date (such Common Shares, the "**Plan Common Shares**"). The Issuer will prohibit any Plan Trustee from purchasing more than the maximum number of Plan Common Shares specified in the Program Agreement in respect of any Trading Day (as defined below).

17. To the best of the Issuer's knowledge the "public float" (calculated in accordance with the TSX Rules) for the Common Shares as at November 30, 2017 consisted of 647,499,658 Common Shares. The Common Shares are "highly-liquid securities" as that term is defined in section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* ("**OSC Rule 48-501**") and section 1.1 of the *Universal Market Integrity Rules* ("**UMIR**").

18. On June 23, 2017, the Commission granted the Issuer and The Bank of Nova Scotia ("**BNS**") an order pursuant to section 6.1 of NI 62-104 exempting the Issuer from the Issuer Bid Requirements in connection with proposed purchases by the Issuer of up to 4,000,000 Common Shares from BNS pursuant to a share repurchase program (the "**BNS Program**"). The Issuer purchased 4,000,000 Common Shares under the BNS Program, which terminated on June 29, 2017.

19. As at November 30, 2017, the Issuer had purchased for cancellation a total of 5,000,000 Common Shares under the NCIB, including 4,000,000 Common Shares pursuant to the BNS Program.

20. The Filers wish to participate in the Program during, and as part of, the NCIB to enable the Issuer to purchase from TD, and for TD to sell to the Issuer, that number of Common Shares equal to the Program Maximum.

21. Pursuant to the terms of the Program Agreement, TDSI will be retained by TD to acquire Common Shares through the facilities of the TSX and on Other Published Markets in Canada (each, a "**Canadian Other Published Market**" and collectively with the TSX, the "**Canadian Markets**") under the Program. No Common Shares will be acquired under the Program on a market that is not a Canadian Market.

22. The Program will be governed by, and conducted in accordance with, the terms and conditions of a Share Repurchase Program Agreement (the "**Program Agreement"**) that will be entered into among the Filers and TDSI prior to the commencement of the Program and a copy of which will be delivered by the Filers to the Commission promptly thereafter.

23. The Program will terminate on the earlier of: (a) February 2, 2018; and (b) the date on which the Issuer will have purchased the Program Maximum under the Program (the "**Program Term**"). Neither the Issuer nor any of the TD Entities may unilaterally terminate the Program Agreement during the Program Term, except in the case of an event of default by a party thereunder or a change in law or announced change in law that would have adverse consequences to the transactions contemplated under the Program Agreement or to the Issuer or either of the TD Entities.

24. At least two clear Trading Days prior to the commencement of the Program, the Issuer will issue and file a press release (the "**Commencement Press Release**") that has been pre-cleared by the TSX that: (a) describes the material features of the Program, including the Program Term; (b) discloses the Issuer's intention to participate in the Program during the NCIB; (c) states that it is the Issuer's current intention to purchase the Program Maximum, but that the number of Common Shares purchased pursuant to the Program may be less than the Program Maximum; (d) provides an explanation as to why less than the Program Maximum may be purchased; and (e) states that, immediately following the completion of the Program, the Issuer will issue and file the Completion Press Release (as defined below).

25. The Program Maximum will be less than the number of Common Shares remaining that the Issuer is entitled to acquire under the NCIB, calculated as at the date of the Program Agreement.

26. The TSX has: (a) been advised of the Issuer's intention to enter into the Program; (b) been provided with drafts of the Program Agreement and the Commencement Press Release; and (c) confirmed that it has no objection to the Issuer conducting the Program as part of the NCIB.

27. The Program will:

    (a) be an "automatic securities purchase plan" as defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (as applied, *mutatis mutandis*, to purchases made by an issuer) and TDSI will conduct the Program in its sole discretion, in accordance with the irrevocable instructions established by the Issuer and set out in the Program Agreement (the "**Irrevocable Instructions**"); and

    (b) comply with applicable securities regulatory requirements and guidance, including, *inter alia*, clause 175(2) of Regulation 1015 of the Act, OSC Staff Notice 55-701 *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans* and similar rules and regulations regarding automatic acquisitions of securities under Canadian securities laws.

28. The Program Agreement, which includes the Irrevocable Instructions, will be entered into at a time when the Issuer is not: (a) in a Blackout Period; or (b) aware of Undisclosed Information (as defined below).

29. The Irrevocable Instructions will: (a) be of the same nature as the instructions that the Issuer would have given to the Responsible Broker if the Issuer was conducting the NCIB in reliance on the Exemptions; and (b) take into account the Plan Common Shares, such that the sum of the Common Shares acquired pursuant to the Program and the maximum number of Plan Common Shares specified in the Program Agreement in respect of a particular Trading Day will never exceed the Modified Maximum Daily Limit (as defined below).

30. All Common Shares acquired for the purposes of the Program by TDSI on a day during the Program Term on which Canadian Markets are open for trading (each, a "**Trading Day**") must be acquired on Canadian Markets in accordance with the TSX Rules and the by-laws, rules, regulations or policies of any Canadian Markets upon which purchases are carried out (collectively, the "**NCIB Rules**") that would be applicable to the Issuer in connection with the NCIB, provided that:

    (a) the aggregate number of Common Shares to be acquired on Canadian Markets by TDSI and any Plan Trustees on each Trading Day shall not exceed the maximum daily limit that is imposed upon the NCIB pursuant to the TSX Rules, determined with reference to an average daily trading volume that is based on the trading volume of the Common Shares on all Canadian Markets rather than being limited to the trading volume on the TSX only (the "**Modified Maximum Daily Limit**"), it being understood that the aggregate number of Common Shares to be acquired on the TSX by TDSI and any Plan Trustees on each Trading Day will not exceed the maximum daily limit that is imposed on the NCIB pursuant to the TSX Rules; and

(b) notwithstanding the block purchase exception provided for in the TSX Rules, no purchases will be made by TDSI on any Canadian Markets pursuant to a pre-arranged trade.

31. The aggregate number of Common Shares that will be acquired by TDSI in connection with the Program:

(a) shall not exceed the Program Maximum; and

(b) on Canadian Other Published Markets, shall not exceed that number of Common Shares remaining eligible for purchase by the Issuer pursuant to the Other Published Markets Exemption, calculated as at the date of the Program Agreement.

32. On every Trading Day, TDSI will purchase the Number of Common Shares. The "**Number of Common Shares**" will be no greater than the least of:

(a) the maximum number of Common Shares that can be purchased pursuant to the Irrevocable Instructions, it being noted that such number of Common Shares, when taken together with the maximum number of Plan Common Shares specified in the Program Agreement in respect of that Trading Day, will not exceed the Modified Maximum Daily Limit;

(b) the Program Maximum less the aggregate number of Common Shares previously purchased by TDSI under the Program;

(c) on a Trading Day where trading ceases on the TSX or some other event that would impair TDSI's ability to acquire Common Shares on Canadian Markets occurs (a "**Market Disruption Event**"), the number of Common Shares acquired by TDSI on such Trading Day up until the time of the Market Disruption Event; and

(d) the Modified Maximum Daily Limit.

33. TD will deliver to the Issuer that number of Inventory Shares equal to the Number of Common Shares purchased by TDSI on a Trading Day under the Program on the Trading Day immediately thereafter (or such other Trading Day as agreed to between the parties to the Program Agreement), and the Issuer will pay TD a purchase price equal to the Discounted Price for each such Inventory Share on the date of delivery thereof. Each Inventory Share purchased by the Issuer under the Program will be cancelled upon delivery to the Issuer.

The "**Discounted Price**" per Common Share will be equal to (a) the volume weighted average price of the Common Shares on the Canadian Markets on the Trading Day on which purchases were made less an agreed upon discount, or (b) upon the occurrence of a Market Disruption Event, the volume weighted average price of the Common Shares on the Canadian Markets at the time of the Market Disruption Event less an agreed upon discount.

34. TD will not sell any Inventory Shares to the Issuer unless TDSI has purchased the equivalent Number of Common Shares on Canadian Markets under the Program. The number of Common Shares that are purchased by TDSI on Canadian Markets under the Program on a Trading Day will be equal to the Number of Common Shares for such Trading Day. TDSI will provide the Issuer with a daily written report of TDSI's purchases, which report will indicate, *inter alia*, the aggregate number of Common Shares acquired under the Program, the Canadian Market on which such Common Shares were acquired, and the Modified Maximum Daily Limit.

35. During the Program Term, the Issuer will: (a) not purchase, directly or indirectly, any Common Shares (other than Inventory Shares purchased under the Program); (b) prohibit the Responsible Broker from acquiring any Common Shares on its behalf; (c) not give any written notice to NB to acquire Common Shares on its behalf under the ARP; and (d) prohibit any Plan Trustee from undertaking any Plan Trustee Purchases that would result in the aggregate number of Plan Common Shares acquired in respect of a particular Trading Day exceeding the maximum number of Plan Common Shares specified in the Program Agreement for such Trading Day.

36. All purchases of Common Shares under the Program will be made by TDSI and neither of the TD Entities will engage in any hedging activity in connection with the conduct of the Program.

37. The Issuer will report its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules. In addition, immediately following the completion of the Program, the Issuer will: (a) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (b) issue and file a press release that announces the completion of the Program and sets out the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares (the "**Completion Press Release**").

38. The Issuer is of the view that (a) it will be able to purchase Common Shares from TD at a lower price than the price at which it would be able to purchase an equivalent quantity of Common Shares under the NCIB in reliance on the Exemptions, and (b) the purchase of Common Shares pursuant to the Program is in the best interests of the Issuer and constitutes an appropriate use of the Issuer's funds.

39. The entering into of the Program Agreement, the purchase of Common Shares by TDSI in connection with the Program, and the sale of Inventory Shares by TD to the Issuer will not adversely affect the Issuer or the rights of any of the Issuer's security holders and will not materially affect control of the Issuer.

40. The sale of Inventory Shares to the Issuer by TD will not be a "distribution" (as defined in the Act).

41. The Issuer will be able to acquire the Inventory Shares from TD without the Issuer being subject to the dealer registration requirements of the Act.

42. At the time that the Issuer and the TD Entities enter into the Program Agreement, neither the Issuer, nor any member of the Equity Derivatives group of TD, nor any personnel of either of the TD Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed (the "**Undisclosed Information**").

43. Each of the TD Entities:

    (a) has policies and procedures in place to ensure that the Program will be conducted in accordance with, among other things, the Program Agreement and this Order, and to preclude those persons responsible for administering the Program from acquiring any Undisclosed Information during the conduct of the Program; and

    (b) will, prior to entering into the Program Agreement: (i) ensure that its systems are capable of adhering to, and performing in accordance with, the requirements of the Program, the Program Agreement and this Order; and (ii) provide all necessary training and take all necessary actions to ensure that the persons administering and executing the purchases under the Program are aware of, and understand the terms of, the Program Agreement and this Order.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in respect of the purchase of Inventory Shares from TD pursuant to the Program, provided that:

(a) at least two clear Trading Days prior to the commencement of the Program the Issuer issues and files the Commencement Press Release;

(b) all purchases of Common Shares under the Program are made on Canadian Markets by TDSI, and are:

    (i) made in accordance with the NCIB Rules applicable to the NCIB, as modified by paragraph 30 of this Order;

    (ii) taken into account by the Issuer when calculating the maximum annual aggregate limits that are imposed upon the NCIB in accordance with the TSX Rules, with those Common Shares purchased on Canadian Other Published Markets being taken into account by the Issuer when calculating the maximum aggregate limits that are imposed upon the Issuer in accordance with the Other Published Markets Exemption;

    (iii) marked with such designation, as would be required by the applicable marketplace and UMIR for trades made by an agent of the Issuer; and

    (iv) monitored by the TD Entities on a continual basis for the purposes of ensuring compliance with the terms of this Order, the NCIB Rules, and applicable securities law;

(c) during the Program Term: (i) the Issuer does not purchase, directly or indirectly, any Common Shares (other than Inventory Shares purchased under the Program); (ii) no Common Shares are purchased on behalf of the Issuer by the Responsible Broker; (iii) the Issuer does not give any written notice to NB to acquire Common Shares on its behalf under the ARP; and (iv) no Plan Trustee Purchases are undertaken that would result in

the aggregate number of Plan Common Shares acquired in respect of a particular Trading Day exceeding the maximum number of Plan Common Shares specified in the Program Agreement for such Trading Day;

(d) the number of Common Shares purchased by TDSI under the Program on a particular Trading Day, when taken together with the maximum number of Plan Common Shares specified in the Program Agreement in respect of that Trading Day, does not exceed the Modified Maximum Daily Limit;

(e) the number of Inventory Shares transferred by TD to the Issuer for purchase under the Program in respect of a particular Trading Day is equal to the number of Common Shares purchased by TDSI on Canadian Markets under the Program in respect of the Trading Day;

(f) no hedging activity is engaged in by the TD Entities in connection with the conduct of the Program;

(g) at the time that the Program Agreement is entered into by the Filers and TDSI:

(i) the Common Shares are "highly liquid securities", as that term is defined in section 1.1 of OSC Rule 48-501 and section 1.1 of UMIR; and

(ii) none of the Issuer, any member of the Equity Derivatives group of TD, or any personnel of either of the TD Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, was aware of any Undisclosed Information;

(h) no purchase instructions in respect of the Program are given by the Issuer to TDSI at any time that the Issuer is aware of Undisclosed Information;

(i) the TD Entities maintain records of all purchases of Common Shares that are made by TDSI pursuant to the Program, which will be available to the Commission and IIROC upon request; and

(j) in addition to reporting its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules, immediately following the completion of the Program, the Issuer will: (i) report the total number of Common Shares acquired under the Program to the TSX and the Commission, and (ii) issue and file the Completion Press Release.

DATED at Toronto, Ontario, this 5th day of January, 2018.

"Naizam Kanji"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.2.5 Minister of Energy (Ontario) et al.

Headnote

Ontario-only exemptive relief from the prospectus requirement in section 53 of the Securities Act (Ontario) (the Act) for the distributions of: (i) common shares of Hydro One Limited (Hydro One) by the Province to OFN Power Holdings LP (the Purchaser), an entity wholly-owned and controlled by Ontario First Nations Sovereign Wealth LP (the Master LP), (ii) partnership interests in the Master LP to Participating First Nations (or their Permitted Holders), and (iii) common shares of OFN Asset Management GP Corp., the general partner of the Master LP (the Master LP GP), to Participating First Nations (or their Permitted Holders) – Filers and Participating First Nations are all in Ontario – purchase price for the common shares of Hydro One to be financed by a loan by the Province (the share purchase and loan, together, are the Proposed Transactions), as well as a cash contribution from the Province – parties to the Proposed Transactions have created an ownership structure through which Participating First Nations will indirectly participate in the investment in the Common Shares to be acquired by the Purchaser from the Province and in the cash contribution to be made by the Province – Neither the Purchaser nor the Participating First Nations technically qualify as an "accredited investor" as defined in s. 73.3(1) of the Act or in NI 45-106 Prospectus Exemptions (NI 45-106) – But for the timing of cash contribution from the Province, the Master LP would otherwise qualify under paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106 immediately after the closing of the Proposed Transactions – Participating First Nations may be viewed as akin to municipal government bodies for purposes of paragraph (f) of the definition of "accredited investor" in section 73.3(1) of the Act – Participating First Nations will not be required to make any cash investment in connection with the Proposed Transactions other than a nominal initial subscription amount and property and assets of the Participating First Nations will not be subject to any encumbrance or claim in connection with the Proposed Transactions – Ontario-only exemptive relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, ss. 1(1), 53(1), 74(1).
Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 45-106 Prospectus Exemptions, s. 1.1.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO,
AS REPRESENTED BY
THE MINISTER OF ENERGY,
OFN ASSET MANAGEMENT GP CORP., and
ONTARIO FIRST NATIONS SOVEREIGN WEALTH LP
(collectively, the "Filers")

ORDER

The Ontario Securities Commission (the "**Commission**") has received an application from the Filers for an order pursuant to section 74(1) of the *Securities Act* (Ontario) (the "**Act**") that:

(i) the distribution of partnership interests in Ontario First Nations Sovereign Wealth LP (the "**Master LP**") to Participating First Nations (as defined below) or their Permitted Holders (as defined below);

(ii) the distribution of common shares of OFN Asset Management GP Corp., the general partner of the Master LP (the "**Master LP GP**"), to Participating First Nations or their Permitted Holders; and

(iii) the distribution of common shares of Hydro One Limited ("**Hydro One**") by the Province to OFN Power Holdings LP (the "**Purchaser**"), an entity indirectly wholly-owned and controlled by the Master LP;

are not subject to the prospectus requirements contained in section 53 of the Act ("**Requested Relief**").

INTERPRETATION

In this Order, the following defined terms used herein have the following meanings:

(a) **"CCE"** means the Chiefs Committee on Energy;

(b) **"COO"** means the Chiefs of Ontario;

(c) **"Electricity Act"** means the *Electricity Act, 1998* (Ontario);

(d) **"Hydro One Common Shares"** means common shares in the capital of Hydro One;

(e) **"Minister of Energy"** means the Minister of Energy in his or her capacity as a holder of securities of Hydro One on behalf of the Province under the

Electricity Act or such other member of the Executive Council as may be assigned as a holder of securities of Hydro One on behalf of the Province from time to time;

(f) **"OBCA"** means the *Business Corporations Act* (Ontario); and

(g) **"Province"** means Her Majesty the Queen in Right of Ontario.

REPRESENTATIONS

The Order is based on the following facts represented by the Province in respect of paragraphs 13 to 18 and 20 to 24 and in respect of paragraphs 1 to 12 and 18 to 32, by the Master GP on behalf of itself, the Master LP, the Purchaser and the Participating First Nations.

The Parties

Ontario First Nations

1. There are 133 First Nations communities located in Ontario ("**First Nations**") that are represented by COO.

2. The purpose of COO is to enable the political leadership of the First Nations people to discuss and to decide on regional, provincial and national priorities affecting First Nations people in Ontario and to provide a unified voice on relevant issues. COO is administered through the Indian Associations Co-Ordinating Committee of Ontario Inc. (the "**Secretariat**").

3. The CCE was established by COO at the request of the Chiefs-in-Assembly to oversee the negotiation of the Proposed Transactions (as defined below) and is comprised of eight Chiefs and various First Nations technical advisors.

4. COO has coordinated the establishment of a number of entities to facilitate the participation of First Nations in the Proposed Transactions (as defined below), none of which currently carry on any business or other activities. These entities include:

   (a) the Master LP, a holding entity in which Participating First Nations (as defined below) will directly hold limited partnership interests;

   (b) the Master LP GP, the general partner of the Master LP, in which Participating First Nations (as defined below) will directly hold common shares.

5. The Master LP, in turn, will have two principal subsidiary entities established to hold assets in connection with the following transactions (collectively, the "**Proposed Transactions**"):

   (a) OFN Capital Wealth LP (the "**Investment LP**") will receive a cash contribution of up to $45 million from the Province, to provide meaningful opportunities for collective wealth creation and to advance economic development initiatives (the "**Cash Contribution**"); and

   (b) the Purchaser will purchase up to 14,875,000 Hydro One Common Shares from the Province, with the purchase price funded entirely by drawings under the Loan Agreement (as defined below).

6. The Master LP will also directly own all of the common shares of the general partners of the Investment LP and the Purchaser, respectively.

7. The Master LP, the Master LP GP and these subsidiary entities were established or incorporated, as applicable, under the laws of Ontario on June 22, 2017. The head office of each of these entities is located at 236 Frontenac Street, Batchewana First Nation, Ontario.

8. Prior to implementation of the Proposed Transactions, all of the common shares of the Master LP GP and all of the limited partnership interests in the Master LP are owned by the Secretariat.

9. The Proposed Transactions will only proceed if a minimum of 80% of the 133 First Nations in Ontario confirm, prior to the end of 2017, their intention to participate and acquire limited partnership interests in the Master LP and common shares of the Master LP GP. Following closing of the Proposed Transactions, a First Nation that subsequently elects to participate and that was unable to do so beforehand due to extraordinary circumstances, as well as newly recognized First Nations that meet certain requirements, may be issued limited partnership interests in the Master LP and common shares of the Master LP GP (all of such First Nations described in this paragraph 9 being collectively referred to as the "**Participating First Nations**").

10. Prior to the closing of the Proposed Transactions, the Limited Partnership Agreement governing the Master LP will be amended and restated to: (i) enable Participating First Nations to subscribe for limited partnership interests in the Master LP; and (ii) the limited partnership interest of the Secretariat in the Master LP will be redeemed and cancelled. Equity interests of the Participating First Nations in the Master LP will be based upon the equity allocation formula agreed to by Participating First Nations, which is expected to be calculated based on a combination of a base

factor, a population size factor and a remoteness factor. Each Participating First Nation will be entitled to one vote on any matter that limited partners of the Master LP are entitled to vote on.

11. In addition, immediately prior to the closing of the Proposed Transactions, each Participating First Nation will subscribe for one common share of the Master LP GP and the shares of the Master LP GP held by the Secretariat will be purchased for cancellation by the Master LP GP.

12. This ownership structure has been created to allow Participating First Nations to indirectly participate in the benefits of the Cash Contribution held by Investment LP, and in the investment in the Hydro One Common Shares to be acquired by the Purchaser. The Cash Contribution and the Hydro One Common Shares will be held in separate entities to support and segregate the security interest over the shares and the limited recourse nature of the related loan, such that other assets of the Master LP and the other entities in the structure will not be at risk.

The Province and the Hydro One Investment

13. The Minister of Energy is the designated representative of the Province and the registered shareholder in respect of the Province's holdings of Hydro One Common Shares.

14. Hydro One was incorporated on August 31, 2015 under the OBCA as part of a reorganization intended to facilitate the sale by the Minister of Energy of a majority ownership interest in Hydro One. The head office of Hydro One is located in Toronto, Ontario.

15. In April 2015, the Province announced its intention to broaden the ownership of Hydro One. At that time, the Province publicly communicated its intention to reduce its stake over time, until it holds approximately 40% of the Hydro One Common Shares.

16. On November 5, 2015, Hydro One completed an initial public offering (the "**IPO**"), by way of secondary offering by the Minister of Energy, of Hydro One Common Shares. Concurrently with the closing of the IPO, the Minister of Energy also sold Hydro One Common Shares to two trusts established for the benefit of the Power Workers' Union and to two trusts established for the benefit of The Society of Energy Professionals.

17. Following additional secondary offerings by the Province, the Minister of Energy currently directly owns approximately 49.9% of the issued and outstanding Hydro One Common Shares. The Province has announced that it has completed its initiative to broaden the ownership of Hydro One and that it does not anticipate making any further offerings of Hydro One Common Shares, other than sales for the collective benefit of Indigenous communities (including the Proposed Transactions).

The Proposed Transactions

18. Prior to the IPO, COO expressed to the Province the interest of the First Nations in owning a portion of Hydro One. Following this expression of interest, the Province entered into discussions regarding potential equity participation in Hydro One by the First Nations. An agreement-in-principle with respect to the Proposed Transactions was announced by the Province and COO on July 12, 2016.

19. On October 27, 2015 and June 29, 2016, the Chiefs in Assembly passed resolutions authorizing the CCE to negotiate and formalize definitive agreements with the Province on behalf of First Nations, and approved the agreement-in-principle reached through negotiation between the CCE and the Province. On May 3, 2017, the Chiefs-in-Assembly passed resolutions approving the manner in which interests in the Master LP and the Master LP GP would be allocated among the various Participating First Nations and related governance matters.

20. On June 30, 2017, Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy, entered into a share purchase and contribution agreement (the "**Purchase Agreement**") with the Purchaser, the Master LP and the Investment LP, which, together with the Loan Agreement, are the definitive agreements relating to the Proposed Transactions.

21. Pursuant to the Purchase Agreement, if the closing conditions are satisfied, the Province will sell to the Purchaser, on December 29, 2017 or on such other date to be agreed by the parties, up to 14,875,000 Hydro One Common Shares (subject to reduction and proration based on the number of Participating First Nations) at a purchase price of $18.00 per Hydro One Common Share (representing a 22.5% discount to the closing trading price of the Hydro One Common Shares of $23.23 at the date of the Purchase Agreement). In addition, the Province will make the Cash Contribution of up to $45 million (subject to reduction and proration based on the number of Participating First Nations) to the Investment LP.

22. The Purchaser will fund the purchase price for the Hydro One Common Shares from an advance under a term loan agreement dated June 30, 2017, among Her Majesty the Queen in Right of Ontario, as represented by the Minister of Finance, the Purchaser, the Master LP and the Investment LP, and their respective general partners (the "**Loan Agreement**"). No portion of

the purchase price will be paid directly or indirectly by the Participating First Nations. The Loan Agreement provides for a 25-year term loan of up to approximately $268 million, depending on the level of First Nations participation. The interest rate for the loan will be equal to the Province's borrowing rate, plus 15 basis points.

23. Under the Loan Agreement, there is no mandatory principal repayment prior to maturity, absent a default. Quarterly interest payments on the loan will be paid with dividends on the Hydro One Common Shares. If dividends are insufficient to pay any interest payment, the loan interest shortfall can be deferred and paid at a later date.

24. The Hydro One Common Shares acquired by the Purchaser will be pledged to the Province as security for the loan; however, once the market value to loan ratio of the Hydro One Common Shares held by the Purchaser reaches 150%, excess Hydro One Common Shares may be released from the security arrangements. The loan is made on a non-recourse basis, such that at maturity, any amounts outstanding to the Province may only be satisfied from the remaining pledged Hydro One Common Shares or other assets of the Purchaser (and no claim can be made against the other entities in the structure, or any Participating First Nations).

25. Participation in the Proposed Transactions by First Nations is voluntary. Each First Nation may decide, having regard to its own circumstances, whether or not to acquire a limited partnership interest in the Master LP and common shares of the Master LP GP.

26. Participating First Nations may not dispose of any interest in the Master LP or the Master LP GP for a period of: (i) five years following the closing date of the Proposed Transactions (the "**Closing Date**"); and (ii) thereafter, until the date that all obligations are discharged under the loan (the "**Loan Termination Date**"), only to another Participating First Nation. Notwithstanding the foregoing, Participating First Nations will be able to dispose of their interest in the Master LP and the Master LP GP at any time to a "Permitted Holder", defined as:

    (a) a corporation, all of the voting securities of which are legally and beneficially owned directly by the relevant Participating First Nation;

    (b) a partnership, trust, syndicate or other entity, in which the relevant Participating First Nation has actual and sole power or authority to manage and direct the affairs of the entity and legally and beneficially owns all of the beneficial interests in such entity; or

    (c) any individual, over which the relevant Participating First Nation has actual and sole power and authority to direct the individual in respect of the equity and voting interests of the Participating First Nation in the Master LP or in the Master LP GP that are held by the individual,;

    and, in each case, provided that the ownership is not subject to, or in any way affected by, rights in favour of a third party, subject to limited permitted encumbrances.

27. The parties to the Proposed Transactions cannot rely on any available prospectus exemptions in the Act or in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) to distribute: (i) partnership interests in Master LP to the various Participating First Nations or their Permitted Holders, (ii) common shares of Master LP GP to the various Participating First Nations or their Permitted Holders; and (iii) Hydro One Common Shares to the Purchaser, as currently contemplated under the Proposed Transactions. Accordingly, the Requested Relief is needed to complete the Proposed Transactions.

28. The structure of the Proposed Transactions, including the terms of the Loan Agreement, permit the Participating First Nations to benefit from any potential upside in their investment in Hydro One Common Shares, with no downside financial risk. Participation in the Proposed Transactions by First Nations is entirely voluntary. No Participating First Nation will be required to make other than a nominal ($2) capital commitment in relation to its participation in the Proposed Transactions, and the property and assets of the Participating First Nations (and any individual members of such First Nations) will not be subject to any encumbrance or claim in connection with the Proposed Transactions.

29. But for the timing of the Cash Contribution from the Province, the Master LP and Master LP GP would otherwise qualify under paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106 immediately after the closing of the Proposed Transactions.

30. The Participating First Nations are all recognized, or are pending recognition, by certain federal authorities, and in all cases perform governmental functions analogous to municipalities and public boards, in relation to their communities and members served, such as providing governance in a particular area and holding elections of community representatives. Paragraph (f) of the definition of "accredited investor" in section 73.3(1) of the Act includes "a municipality, public board or commission in Canada …".

31. Hydro One is an established reporting issuer with a significant market following and extensive public disclosure record. Further, in their assessment and negotiation of the Proposed Transactions, COO and the CCE have received and continue to receive ongoing professional advice, including legal advice from Dickinson Wright LLP and financial advice from COO's financial advisor, Crosbie & Company Inc. ("**Crosbie**"), which is registered as an exempt market dealer under the Act.

32. The Participating First Nations have been provided with information to assess the Proposed Transactions and related structuring considerations. Crosbie conducted due diligence on Hydro One, which included a detailed review of Hydro One's public disclosure, the data room material provided to the underwriters for the IPO, and direct discussions with Hydro One senior management concerning the business, operations and prospects of Hydro One. Since the IPO, all First Nations have been invited to participate in a number of Hydro One forums and webinars to receive information regarding the Proposed Transactions and to discuss their interest in participating in the Proposed Transactions, including with their professional advisors. However, none of the Province, the Master LP or the Master LP GP have prepared or provided any offering memorandum or similar disclosure document with respect to the sale of the Hydro One Common Shares or for the distributions of interests in Master LP and Master LP GP to Participating First Nations for purposes of the Proposed Transactions.

ORDER

The Commission is satisfied that the Order meets the test set out in the Act for the Commission to make the Order.

The Order of the Commission under the Act is that the Requested Relief is granted provided that:

1. the first trade in securities distributed in reliance on this order (other than a trade in securities of the Master LP or the Master LP GP to a Participating First Nation or its Permitted Holder) will be deemed to be a distribution that is subject to section 2.5 of National Instrument 45-102 *Resale of Securities*;

2. with the exception of dispositions to Permitted Holders, Participating First Nations and their Permitted Holders are not permitted to dispose of their interests in the Master LP or Master LP GP until after the fifth anniversary of the Closing Date;

3. Participating First Nations and their Permitted Holders may, following the fifth anniversary of the Closing Date until the Loan Termination Date, dispose of their interests in the Master LP and the Master LP GP only to another Participating First Nation or its Permitted Holder; and

4. neither the Purchaser nor the Participating First Nations will use section 4.7 of Multilateral Instrument 11-102 *Passport System* to extend the Request-ed Relief to other provinces and territories of Canada.

DATED at Toronto, Ontario this 19th day of December, 2017.

"Tim Moseley"
Vice-Chair
Ontario Securities Commission

"Grant Vingoe"
Vice-Chair
Ontario Securities Commission

2.2.6 Tesco Corporation

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceases to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Citation: Re Tesco Corporation, 2018 ABASC 5

January 5, 2018

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
TESCO CORPORATION
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the Alberta Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and Yukon; and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Denise Weeres"
Manager, Legal
Corporate Finance

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Alliance Growers Corp.	05 January 2018	
EA Education Group Inc.	05 January 2018	
Haltain Developments Corp.	08 January 2018	
Millstream Mines Ltd.	05 January 2018	
Namaste Technologies Inc.	05 January 2018	
Zanzibar Gold Inc.	05 January 2018	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Blockchain Technologies ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 5, 2018
NP 11-202 Preliminary Receipt dated January 5, 2018
Offering Price and Description:
Class A Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Harvest Portfolios Group Inc.
Project #2715868

Issuer Name:
Bristol Gate Concentrated Canadian Equity ETF
Bristol Gate Concentrated US Equity ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 4, 2018
NP 11-202 Preliminary Receipt dated January 5, 2018
Offering Price and Description:
CAD Units and USD Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Bristol Gate Capital Partners Inc.
Project #2715755

Issuer Name:
Dynamic Strategic Yield Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated December 29, 2017
Received on January 2, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
GCIC Ltd.
Promoter(s):
N/A
Project #2683052

Issuer Name:
Dynamic Strategic Yield Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated December 29, 2017
NP 11-202 Receipt dated January 4, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
GCIC Ltd.
Promoter(s):
N/A
Project #2683052

Issuer Name:
Educators Monitored Aggressive Portfolio
Educators Monitored Balanced Portfolio
Educators Monitored Conservative Portfolio
Educators Monitored Growth Portfolio
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated January 4, 2018
NP 11-202 Receipt dated January 8, 2018
Offering Price and Description:
Class A Units and Class I units @ Net Asset Value
Underwriter(s) or Distributor(s):
Educators Financial Group Inc.
Promoter(s):
Educators Financial Group Inc.
Project #2695941

Issuer Name:
Franklin Bissett Canadian Bond Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated January 2, 2018
NP 11-202 Receipt dated January 4, 2018
Offering Price and Description:
Series A, F, O and PF units @ Net Asset Value
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2677425

Issuer Name:
Marquest Mutual Funds Inc. – Energy Series Fund
Marquest Mutual Funds Inc. – Explorer Series Fund
Marquest Mutual Funds Inc. – Flex Dividend and Income Growth Series Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated December 22, 2017
NP 11-202 Receipt dated January 2, 2018
Offering Price and Description:
Series A/Rollover, Series A/Regular and Series F units @ net asset value
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2695811

Issuer Name:
Redwood Growth Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated December 22, 2017
NP 11-202 Receipt dated January 2, 2018
Offering Price and Description:
–
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Logiq Capital 2016
Project #2633187

NON-INVESTMENT FUNDS

Issuer Name:
Aurinia Pharmaceuticals Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Shelf Prospectus dated January 4, 2018
NP 11-202 Preliminary Receipt dated January 4, 2018
Offering Price and Description:
US $250,000,000.00 – Common Shares, Warrants, Subscription Receipts, Debt Securities, Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2715726

Issuer Name:
Choice Properties Real Estate Investment Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated January 3, 2018
NP 11-202 Preliminary Receipt dated January 3, 2018
Offering Price and Description:
$2,000,000,000.00
Units
Debt Securities
Underwriter(s) or Distributor(s):
–
Promoter(s):
Loblaw Companies Limited
Project #2715415

Issuer Name:
Cronos Group Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 8, 2018
NP 11-202 Preliminary Receipt dated January 8, 2018
Offering Price and Description:
$40,000,003.75 – 4,571,429 Common Shares
Price: $8.75 per Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
GMP Securities L.P.
Beacon Securities Limited
Cormark Securities Inc.
Promoter(s):
Alan Friedman
Project #2716224

Issuer Name:
Inter Pipeline Ltd.
Principal Regulator – Alberta (ASC)
Type and Date:
Preliminary Shelf Prospectus dated January 3, 2018
NP 11-202 Preliminary Receipt dated January 3, 2018
Offering Price and Description:
$3,000,000,000.00 – Common Shares , Preferred Shares Debt Securities Subscription Receipts , Warrants , Share Purchase Contracts, Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2715491

Issuer Name:
M.P.V.Explorations Inc.
Principal Regulator – Quebec
Type and Date:
Preliminary Long Form Prospectus dated January 4, 2018
NP 11-202 Preliminary Receipt dated January 5, 2018
Offering Price and Description:
Type of Securities; Unit
Number of Securities: 5,000,000
Price per Security: $0.20
Underwriter(s) or Distributor(s):
Leede Jones Gable Inc.
Promoter(s):
Jean-Francois Perras
Project #2715730

Issuer Name:
RMR Science Technologies Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary CPC Prospectus (TSX-V) dated January 4, 2018
NP 11-202 Preliminary Receipt dated January 5, 2018
Offering Price and Description:
$500,000.00 – (5,000,000 Class “A” Common Shares)
Price: $0.10 per Class “A” Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
Robin Hutchison
Project #2715797

Issuer Name:
Just Energy Group Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated January 4, 2018
NP 11-202 Receipt dated January 4, 2018
Offering Price and Description:
$1,000,000,000.00 – Common Shares, Preferred Shares, Subscription Receipts, Warrants, Debt Securities, Share, Purchase Contracts, Units
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2710632

Issuer Name:
Trillium Therapeutics Inc. (formerly Stem Cell Therapeutics Corp.)
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated January 5, 2018
NP 11-202 Receipt dated January 8, 2018
Offering Price and Description:
US$150,000,000.00 – Common Shares, First Preferred Shares, Warrants, Units, Subscription Receipts
Underwriter(s) or Distributor(s):
–
Promoter(s):
–
Project #2710144

Issuer Name:
WeedMD Inc. (formerly Aumento Capital V Corporation)
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated January 3, 2018
NP 11-202 Receipt dated January 3, 2018
Offering Price and Description:
$30,000,000.00 – 13,953,488 Units; Price: $2.15 per Unit
Underwriter(s) or Distributor(s):
Eight Capital
Mackie Research Capital Corporation
Haywood Securities Inc.
Promoter(s):
–
Project #2711792

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Allied Wealth Management Inc.	Portfolio Manager	January 2, 2018
New Registration	Huxton Black Ltd.	Portfolio Manager and Exempt Market Dealer	January 2, 2018
New Registration	Caxton (Canada) Ltd.	Portfolio Manager and Commodity Trading Manager	January 2, 2018
New Registration	CFI Leasing Limited	Exempt Market Dealer	January 4, 2018
Name Change	From: LOGiQ Capital Partners Inc. To: Purpose Investment Partners Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	December 22, 2017
New Registration	Whitehorse Liquidity Partners Inc.	Portfolio Manager and Exempt Market Dealer	January 8, 2018

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